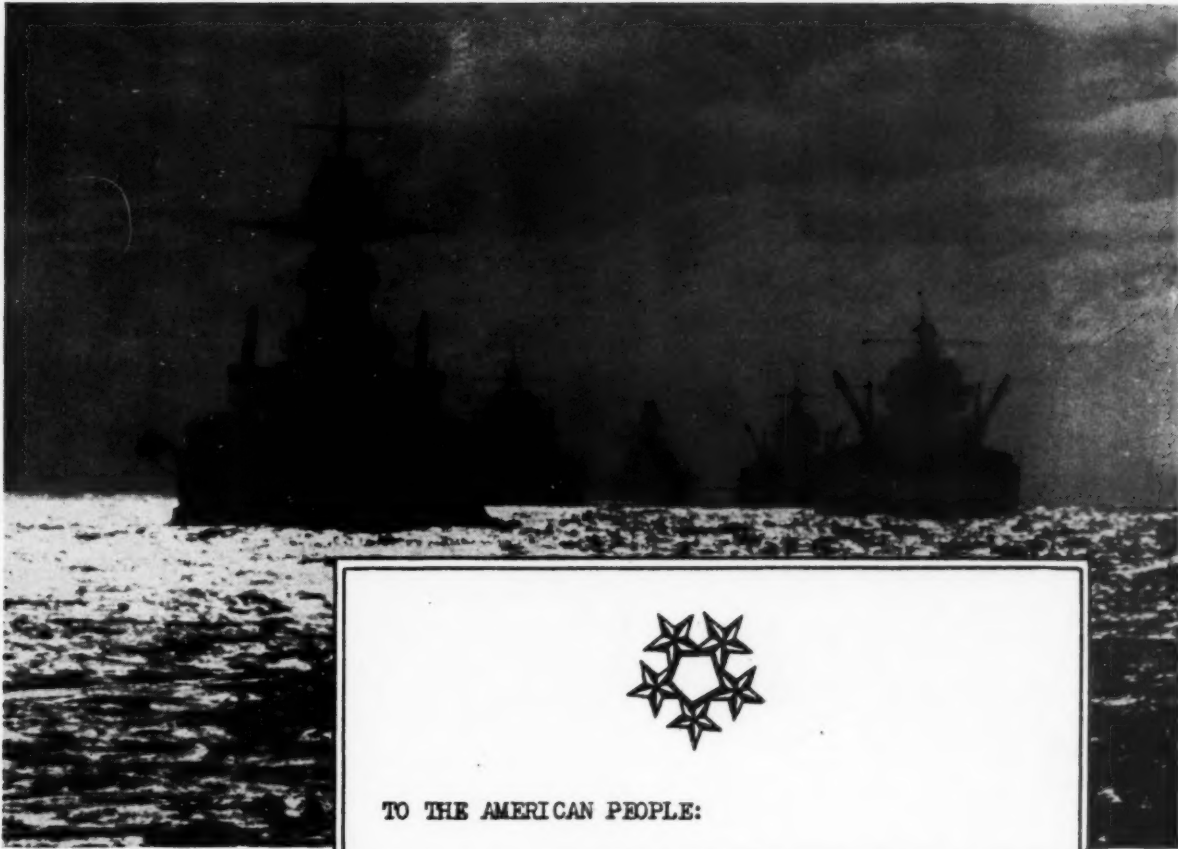
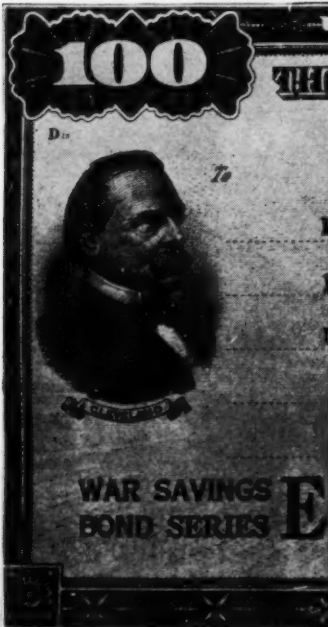


# The NATIONAL UNDERWRITER



Official U. S. Navy Photograph



## TO THE AMERICAN PEOPLE:

Your sons, husbands and brothers who are standing today upon the battlefronts are fighting for more than victory in war. They are fighting for a new world of freedom and peace.

We, upon whom has been placed the responsibility of leading the American forces, appeal to you with all possible earnestness to invest in War Bonds to the fullest extent of your capacity.

Give us not only the needed implements of war, but the assurance and backing of a united people so necessary to hasten the victory and speed the return of your fighting men.

*William D. Leahy*  
*Franklin D. Roosevelt*  
*Dwight D. Eisenhower*  
*C. M. Nimitz*  
*H. H. Arnold*

THURSDAY, JUNE 7, 1945

# BIG JOB?

**OF COURSE IT'S A BIG JOB!** But then everything about this war with Japan is big. Mountains of supplies have to be moved thousands of miles—to millions of men—at a cost of *billions* of dollars!

This great 7th War Loan Drive—one mighty effort instead of the two we had up to this time last year—must and will be a success. Our fighting men are depending upon *us all* to continue to do *our* job on the home front—and an important part of that job is to buy *more* and *bigger* War Bonds.



ALL OUT FOR THE MIGHTY SEVENTH!

★ THE HOME ★  
Insurance Company  
NEW YORK

FIRE • AUTOMOBILE • MARINE INSURANCE



**FIRE  
PROTECTION-  
VINTAGE OF  
1578**



from the Bettmann Archive

Fire syringe constructed by Bosson, French engineer, about 1578. The cylinder was filled with water and then stopped with a plug. Hand operated turn-screw forced piston forward to squirt water—as from a water pistol.

In those early days of fire fighting anything was worth trying. About the only way to avoid the sad consequence of a bad fire was to avoid the fire in the first place.

Today's fast changing conditions, however, require constant vigilance and careful review of all coverages. Only insurance in the 1945 manner will do today.

The National Fire Group and its fieldmen work closely and helpfully with agents in placing sound, adequate, correct coverage.

## *The National Fire Group*

NATIONAL FIRE INSURANCE COMPANY OF HARTFORD  
MECHANICS and TRADERS INSURANCE COMPANY

FRANKLIN NATIONAL INSURANCE COMPANY OF NEW YORK  
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EXECUTIVE AND ADMINISTRATIVE OFFICE, HARTFORD 15, CONN.

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and wants peace of mind he  
needs proper insurance. That  
is the idea we endeavor to  
put across in our advertise-  
ment appearing currently in  
national publications.



## "Why Fight?"

—someone may get hurt!"

Our friend, Ogden Foresythe\*, believes in the power of brain over brawn. He has anticipated his present predicament with full automobile insurance on his car, damage to property or personal injury to others. We hope Ogden has personal accident insurance too — just in case.

If you would have that same feeling of security while driving your car, get in touch with your F. & C. agent or broker now. He provides the best in complete automobile insurance.

\*pronounced FORE' SIGHT

## THE FIDELITY and CASUALTY COMPANY

OF NEW YORK

A Member Company of

### THE AMERICA FIRE INSURANCE AND INDEMNITY GROUP

BERNARD M. CULVER  
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which includes the following companies

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THE CONTINENTAL INSURANCE CO. • FIDELITY PHENIX FIRE INSURANCE CO. • NIAGARA FIRE INSURANCE CO.  
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## Commission Issue Is Raised at N.A.I.C. Session

### Injected in Discussion of Expense Formula Before Fire and Marine Committee

ST. PAUL—The delicate question of agents' and brokers' commissions and whether and how to regulate that element of the premium cropped up in the discussion here Monday afternoon at a meeting of the N.A.I.C. fire and marine committee. While no action was taken in this field, nevertheless, the fact that the question emerged is a signal that consideration of the commission question in the light of the abandonment of control of commissions by voluntary inter-company action must some day be faced.

The issue was injected by Commissioner Forbes of Michigan during a discussion of whether the N.A.I.C. formula of 1921 for treatment of expenses in fire insurance rate making should be reaffirmed or revised, or whether there should be an entirely new approach to expense handling.

Mr. Forbes inquired how a uniform pattern can be devised when there is such a difference as to commission scales between the various states. For instance, he observed, in Detroit, which is an excepted city, the commissions are 5% higher than in the rest of the state, but in a state such as Nevada there are no excepted cities.

### Should Hear Agents, Brokers

J. R. Barry, Corroon & Reynolds, remarked that the commission question has arisen from the beginning of insurance. It is a question on which the agents and brokers should be permitted to speak. He contended that commissions regulate themselves in the long run through the competitive process.

Gough of New Jersey cited the example of New Jersey, which equalized commissions by law, requiring that the scale be uniform throughout the state. "We wiped out the difference in New Jersey," he said.

White of Mississippi declared the system employed in his state works well. Under it the majority of the company members of the rating bureau each year by ballot determine what the commission scale shall be. He said he is opposed to rigid uniformity. Each state should be permitted to accommodate its procedure to its local situation. If there is to be a completely uniform pattern, he declared, it might as well be established at Washington.

### Two Definite Steps

The fire and marine committee took two definite steps. It authorized appointment of one subcommittee to study the 1921 expense formula and it authorized another to ponder the interim report of the Insurance Executives Association recommending a new fire insurance classification system. That report is given below. Carroll of Rhode Island presided as chairman.

J. R. Barry spoke at some length on the profit element that should be included in rating principles. He contended that the states should agree on

(CONTINUED ON PAGE 29)

## O'Mahoney Backs Uniform Accounting

### Correspondence with Utah Senator Is Released at St. Paul

ST. PAUL—An exchange of correspondence between Senator O'Mahoney of Wyoming and Senator Midgley of Utah was released here during the N. A. I. C. convention by sources close to Superintendent Dineen of New York. In this correspondence O'Mahoney endorses Mr. Dineen's position that there should be a law requiring uniform accounting methods in the insurance business. Mr. Dineen sponsored such a bill in the recent New York legislature that was bitterly opposed by fire and casualty interests and failed of passage.

O'Mahoney's statement was elicited by a letter to him from Midgley reporting that the Utah legislature had created an interim committee to study the insurance problem.

### Railroad, Utility Experience

Referring to the experience of regulatory bodies in rate-making for railroads and public utilities, O'Mahoney stated that any regulatory organization would be handicapped unless it had the benefit of uniform methods of accounting. He said, "I feel there is a lot of wisdom and sound sense in the recommendation made by Superintendent Robert E. Dineen for the enactment of a law requiring uniform accounting methods in the insurance business. Any regulatory body, state or national, is bound to be handicapped in its attempts to protect the public interest if the corporations whose rates are to be regulated do not have uniform methods of accounting. No industry wants to be regulated and no corporation wants to be compelled to abandon its own method of accounting in order to accommodate itself to a method prescribed for the protection of the people. Experience over more than a generation, however, both with respect to railroads and with respect to public utilities, proves that a uniform accounting system is essential. Without such a system a regulatory body cannot, with convenience and efficiency, obtain the facts which it should have to protect the public which, without the intervention of public regulation, is at the mercy of the corporations that are to be regulated."

### Texas Rating Bill

In the release it was pointed out that a section of the newly enacted Texas rating bill includes a provision as to accounting. It specifies that the Texas insurance board shall promulgate reasonable rules and statistical plans to be used by insurers in reporting loss experience and other data. It is provided that the rules and plans shall be as uniform as is practicable to the rules and forms of plans used in other states.

"Insurance like every other modern business," O'Mahoney stated, "has a national and international aspect as well as a local aspect. The laws to which we have been accustomed have grown out of the condition which existed when the local aspect of insurance was greater than its national aspect. Now management in the insurance field, like management in the steel industry or in the beet sugar industry or in federal reclamation, for example, is national rather than local and what we have to do is to find the way of adjusting local and individual rights and responsibilities to the broad national scope of national commerce. A large proportion of the

## Commissioners Set Up Yield

### Eliminate Aggregate Cost; Change Rule on Enemy Countries

ST. PAUL—The securities valuation formula for 1945 annual statements, as adopted at the N. A. I. C. convention here, changes the so-called alternative yield test to determine whether bonds are eligible for amortization to provide in effect that a bond at Dec. 1, 1945 must be yielding not more than 4.6% and Dec. 1, 1944 must have yielded not more than 5.4%. This compares with 6% and 5.4% in last year's formula, and is in line with the policy of increasing the requirements gradually year by year.

It is called the alternative yield test, because in the first place a bond that was rated by two rating organizations in one of the four highest categories is eligible for amortization. If not so rated, but if it meets the yield test it can still be amortized.

The yield test specifies that the yield in 1944 shall not have exceeded 2.9% plus the yield on a comparable government maturity, which for practical purposes is regarded as 2.5%. In 1945 the yield must not exceed 2.1% plus the government yield.

### Eliminate Book Value

Another change was the elimination of the resolution on the aggregate cost or book value of stocks held by life companies. That resolution permitted use of book rather than market values on stocks if the dividends on all stocks produced the required interest income.

The resolution pertaining to securities of enemy countries was changed so as to treat as valueless bonds only of Japan and Japanese occupied countries. Any German bonds or bonds of countries formerly occupied by Germany can now be entered for what they are worth.

The language of the resolution on U. S. savings bonds was changed for clarity and a provision was reinstated for writing off the premium paid for FHA bonds in five years.

### Preferred Stocks

The committee report contained reference to the recommendation submitted in behalf of the committee on preferred stocks of the Life Insurance Association and American Life Convention that an amortization method for preferred stocks be permitted. That recommendation was made to the commissioners' committee May 7 by George N. Emory of Home Life of New York. Mr. Emory stressed the scarcity of securities and stated that preferred stocks

(CONTINUED ON PAGE 30)

insurance business today falls into the national and international category. The individuals who hold policies on their homes and on their lives are entitled to have their interests defended by public officials whom they can easily reach. This need the states can fill. The policies however are issued by organizations whose management offices are far beyond the reach not only of the policyholders, but sometimes even of the states. This is particularly true when we consider the complexities of international reinsurance.

"In any event, the task or readjustment is one which ought to be tackled objectively. The appointment of an interim committee by a state legislature to study the problem is evidence of an intent to do the job objectively and I congratulate you and the Utah legislature."

## N.A.I.C. Back on Pre-S.E.U.A. Basis at St. Paul Meet

### Commissioners Talked Out on Federal Situation— Much Solid Work Done

#### NEW OFFICERS ELECTED

President—James M. McCormack, Tennessee.  
Vice-president—E. L. Scheufler, Missouri.  
Chairman executive committee—Seth B. Thompson, Oregon.  
Secretary—Jess G. Read, Oklahoma.

#### By LEVERING CARTWRIGHT

ST. PAUL—The National Association of Insurance Commissioners, at its annual convention here this week, swung back into its accustomed rhythm after having for the past year been submerged by consideration of but one topic—the federal situation.

At this gathering, which got under way last Saturday afternoon with a meeting of the executive committee, the commissioners, it developed, were just about talked out so far as federal legislation and state laws to conform thereto and the tax situation is concerned. Not that these problems are by any means disposed of, but there seemed to be little to do or



N. R. Johnson



JAMES M. McCORMACK

talk about at this particular time. At the federal legislative committee meeting in New York May 11-14 studies were initiated as to the situation arising from the Federal Trade Commission, Robinson-Patman and Clayton acts but those studies had not progressed to the point that they could be pursued this week. The industry committee on these subjects held a meeting here Tuesday and

(CONTINUED ON PAGE 15)

## N.A.I.C. Declines to Take Stand on SWPC Program

### Gruhn Charges Setup Unfairly Discriminating, But Action Is Tabled

ST. PAUL—Consideration was given by the N.A.I.C. executive committee Saturday afternoon here to a request for expression of opinion from the commissioners on the insurance terms that Smaller War Plants Corp. is demanding. A. V. Gruhn, manager American Mutual Alliance, May 1 had addressed members of the executive committee reviewing the terms SWPC is exacting and stating the Alliance desires to have the opinion of the commissioners as to how those terms square with state laws before recommending to its member companies whether to enter into agreement with SWPC. After considerable discussion the executive committee tabled the matter. Mr. Gruhn was not on hand for that session.

Mr. Gruhn said the SWPC situation is reminiscent of the HOLC and Farm Security Administration insurance controversies. He expressed the belief that what SWPC wants is unfairly discriminatory treatment of policyholders and is in conflict with state laws.

#### Harrington Finds Faults

Harrington of Massachusetts seconded Mr. Gruhn's criticisms, but the majority opinion seemed to be that the question is how the proposal conforms to individual state laws and regulations, that it is an individual state filing matter. Mr. Harrington insisted that there were certain broad questions involved and that some of the terms proposed are in violation of all state laws.

Mr. Gruhn stated SWPC demands that the insurer have an A. M. Best Co. rating of B plus or better; that the lessee designate the agent, that if the lessee does not designate the agent, the allocation of insurance as to company be in rotation according to 1944 premium volume; that the standard Defense Plant Corp. rider be attached, but that instead of monthly reports of values, there be one report on the completion of the lessee's acquisition program and premium rebate and adjustments be made upon the basis of that report.

Also, that reporting form be used; full valued policy, no coinsurance; the policy to be nonassessable; rebates for premiums paid on amounts in excess of actual insurable values and refund upon cancellation shall be made on a pro rata basis; SWPC to maintain full coverage on a non-depreciated basis and settlements shall be on a non-depreciated basis; the insurer is to accept every risk whether standard or substandard; the insurer to hold new lease agreements under binder from date of agreement to date of first acquisition of property, at which time SWPC will place the order for insurance; all business to be written for three-year term; the insurer to pay standard commission to agents.

#### Assails DPC Form

The Gruhn letter also contained an analysis of the DPC form and allegation that it is unfairly discriminatory.

Thompson of Oregon pointed out the companies have been using the DPC form for several years through Factory Association and Factory Mutuals. In Oregon, he said, the form was filed and the rating bureau promulgated the rates, including a 10% reduction because of a 10% reduction in commissions. SWPC now desires to use the same form and

## Johnson Tells Washington Story, Asks Central Office

ST. PAUL—After giving members of the National Association of Insurance Commissioners a detailed report of activities in federal insurance legislation since the December meeting, President N. R. Johnson, Minnesota, closed his report with recommendations for a subcommittee of the executive committee on uniform state legislation and for a central office of the commissioners' group.

The proposed central organization, Mr. Johnson said, would not lessen individual freedom of action or prestige, but would help direct the work of the association to make state supervision effective and lasting. Observers recalled that similar suggestions had been made a number of times in the past, with Judge J. B. Gontrum, former Maryland commissioner, one of the leading advocates of this plan.

#### Differences Hurt Legislation

Mr. Johnson's report was mostly a day-to-day account of his activities in Washington in December, when Congress failed to take any insurance action, and in January, when Public Law 15, the now famous insurance bill, was passed. He told of the many conferences he and Harrington of Massachusetts had with legislative leaders and insurance representatives.

Commissioner Johnson did not mince words in criticizing insurance leaders for their factional fights and said this endangered the entire business at that critical time. At one time, he said, the commissioners were advised by Congressional leaders to go home and ask their governors to call for a federal investigation of the insurance business.

## Ohio Company Report and Immunity Bills Advanced

COLUMBUS, O.—The Ohio senate has passed a bill making changes in the manner in which foreign companies must make their reports. It has been referred to the house insurance committee.

The bill granting immunity to domestic company officers and directors passed by the senate has been referred to the house insurance committee.

The house judiciary committee has recommended for passage a bill regulating retail installment sales and the rules committee has placed it on the house calendar. Insurance agents secured the insertion of an amendment providing that the act shall not be construed to impair the authority of the superintendent of insurance to grant, renew or revoke licenses, nor shall the act be construed to authorize anyone other than a licensee of the division of insurance to directly or indirectly receive any part of the amount charged for insurance. The bill also provides that if the insurance premium charged is greater than that given in the rating bureau manual the retail buyer may deduct an amount equal to three times the difference from the amount paid the retailer.

## To Honor W. M. Frink at New York Dinner June 14

Norwich Union's entire staff will honor W. M. Frink, retiring United States manager, at a dinner June 14 at Whyte's Restaurant in New York City. There will be about 150 present. Mr. Frink retires as of July 1.

is providing the opportunity for its handling by individual insurers. The problems involved, he asserted, are in the field of underwriting.

Dineen of New York suggested that this is a proposed filing and each state must review it to see how it squares with its own laws. Scheffler of Missouri concurred in that view.

He said he thought the final bill satisfactory and that if further reasonable moratoriums are needed as to any federal laws, there should be no difficulty in getting them, if it can be shown that the states have made substantial progress in adjusting their supervision to the present situation. He reminded the commissioners that a subcommittee of the senate judiciary committee has been appointed to watch this progress.

#### Extreme Views

Even before Paul vs. Virginia, Mr. Johnson said, there were strong contrary views on insurance supervision, those who favored unlimited competition and those pushing detailed regulation. Both are wrong, he maintained. The history of the insurance business shows that unregulated competition brings about insolvency of carriers and the public has a vital concern in the soundness of insurance companies, far different from the case with consumer goods. On the other hand, freezing of insurance procedures would stifle progress and would have prevented such developments as inland marine floater lines, all risk coverages, aviation insurance, pension trusts and hospitalization insurance.

To find the middle of the road is going to be difficult, Mr. Johnson said, because the three parties who must travel it together, the industry, the states and the federal government, have not agreed where they want to go. But it must be found and the federal situation will make dilatory methods suicidal. The commissioners should take the lead by showing that they can agree on at least an outline of the proper course.

## CCF Defeat Removes Threat to Insurance in Ontario

TORONTO—Monday's resounding defeat of the socialist Commonwealth Cooperative Federation party in the Ontario provincial elections has removed any threat of nationalization or socialization of life insurance and the insurance business as a whole in the province. Recently the CCF party has been the second strongest or what is known as the official opposition party in Ontario. Now it has been relegated to third place. In the 1943 election it elected 34 representatives to the Ontario legislature and this time elected only six. Under Premier George Drew, reelected, life and fire companies will be able to continue their operations in Ontario without fear of interference, or the threat that the government would open its own insurance offices, as was the case when the CCF party won in Saskatchewan last year.

## Three Agencies Are Honored by North America

North America has presented honorary certificates to three agencies for 25 years' continuous representation. Wright Brothers, Bellevue, O., was established in 1889 by John A. Wright and G. A. Wright. In 1927, R. T. Nye entered the agency as a part owner. J. F. Shannon, on the death of J. A., purchased his interest and it now is owned and operated by Messrs. Shannon and Nye. Mr. Shannon is in his second term as mayor of Bellevue.

#### Two Agencies in Illinois

The Henry C. Hattendorf agency, Burlington, Ill., has been operated for 26 years. Mr. Hattendorf is cashier of the State Bank of Burlington.

Carl F. Nichols, Farmer City, Ill., has been in insurance 29 years. The agency was established in 1881 by Walter S. Young, his father-in-law. Upon his death in 1916, Mr. Nichols took over and has operated the agency since.

## Transit Portion of Garment Contractor Risks Troublesome

### Scarcity of Materials, However, Has Improved On-Premises Experience

NEW YORK—The transit feature of garment contractors risks has been an increasingly bad source of losses although the experience on the contractor's own premises has been quite good. Underwriters are watching the transit portion closely and frequently find that there are remedies that can be applied short of jettisoning the account, though sometimes no other course is possible. Most of the transit losses are due to the difficulty of getting competent, alert help during the wartime manpower shortage. Pilferings and hold-ups occur far more frequently than they should.

Thefts from Railway Express trucks and depots have been so bad that some underwriters exclude liability for shipments made by Railway Express. The greatest trouble on Railway Express shipments is that the method of handling parcels, in the interest of efficiency and time saving, results in their passing through so many different hands, in the care of so many individuals, that it is difficult to fix the responsibility for a missing package. This is particularly true of the packages that are shipped under the standard \$50 release bill of lading.

#### Can Get Safer Handling

It has been found that experience can be greatly improved by insisting that contractors, if using railway express, declare a substantial percentage of the shipment's actual value. Even 15% declarations result in shipments getting a much different class of handling. Where excess values over \$50 are declared and paid for at the 10 cents per \$100 rate the packages are receipted for as they are passed along, much like registered mail. Ordinary express packages, on the other hand, are treated very much like ordinary first class mail and if a package disappears there is no positive way of fastening the responsibility on any particular employee.

A recent troublesome development is the use of the release bill of lading by ordinary truck lines. Some truck men have found that they can cut their liabilities by the \$50 per package release or, what they prefer, add to their incomes by getting the extra 10c per \$100. Not all truckmen can do this as it would constitute a violation of the regulations, state or federal, under which they operate. However, a trucker in New York City for example is not subject to the public service commission regulations if he operates in Manhattan alone and that is where much of the hauling is done.

#### Investigation May Help

Frequently it is possible to improve a risk by a little investigation. If the garment contractor shows a bad transit experience an underwriter can sometimes bring about an improvement by insisting that he get another truckman. Some times this is easier said than done, for often there is a family or other personal tie-up which makes the garment contractor want to continue patronizing the truck line he has been using.

The main reason that the experience on the contractor's premises has been good is that both the moral and physical aspects of the risks have greatly improved because of the war. It is said that under today's conditions, with the

(CONTINUED ON PAGE 28)



## Encouraging Note from Two Leaders on Insurance

### Marsh & McLennan Top Executives Tell of the Industry's Standing

The 150 or more insurance representatives of the Chicago area who attended the luncheon in Chicago on Monday, given by Marsh & McLennan in honor of its president, Laurence S. Kennedy of New York, were much impressed by the observations made by both C. W. Seabury, chairman, and Mr. Kennedy himself as to the outstanding position occupied by the insurance business in this country, notwithstanding the criticism it had suffered owing to the S.E.U.A. proceedings and the United States Supreme Court decision.

In speaking of their own organization, Mr. Seabury stated that while many view this primarily as a brokerage firm its foundation was really built upon the agency system; that at the present time in its various offices it has 340 agency licenses representing 132 different companies; that it believes in working closely with the insurance companies and in cooperating with them; that the companies' troubles are its troubles, simply viewed from a different angle; that during its 75 years of operation the organization had been very proud of its relationship with the insurance companies and their executives; that a fair contract between companies and the assured is the only kind that can be permanent and that such a contract is always their objective.

#### Mr. Kennedy's Background

In introducing Mr. Kennedy, Mr. Seabury stated that he had been with the organization for 35 years, having entered its office in Minneapolis at the age of 17; that he went from there to New York about 1916 to assist Frank A. Mannen in the management of that office and has remained there constantly except for the time he served in the former war. After Mr. Mannen's death, he succeeded to the management of the office in New York.

Mr. Seabury further added that while the executive offices of the organization remained in Chicago, it had become the policy of Marsh & McLennan to have one of its chief officials located in New York City, both because of the importance of the business handled there and the fact that the personnel of that office now exceeds 400.

Mr. Kennedy, in responding to the introduction, told of his early experience in Minneapolis and his contact there with many of the field men traveling in that section, who later became company managers and officials. He spoke of his high regard for the Chicago insurance group who, he said, had inaugurated many of the policies and plans later on adopted in a countrywide way. He commented especially upon the position which the insurance business occupied in this country and the service which it had rendered the government during this war time period. He also commented upon the feeling of confidence expressed by many of the officials of some of the large corporations with headquarters in New York who had come to appreciate in a more understanding way the value and importance of insurance in the country's industry. This he felt could not fail to have an important influence on the future of the insurance business.

This was one of the largest functions of its kind that has been held in Chi-

## H. F. Parrish Elected Oklahoma President; E. C. Stone Speaks

TULSA, OKLA.—Harry F. Parrish, Tulsa, was elected president of the Oklahoma Association of Insurance Agents at the annual meeting here.

Reece L. Russell, Lawton, was named vice-president; and Fred F. Fox, Oklahoma City, reelected secretary treasurer. New executive committeemen are: Page Crahan, Vinita; Dave R. McKown, Oklahoma City, and A. L. Morley, Tulsa.

B. H. DeSelms, president Tulsa Board, welcomed the guests. Mr. Parrish made the annual report for the administration.

Edward C. Stone, U.S. general manager of Employers' Liability, discussed the future of the business in the light of present legislation.

#### Tulsa Board Is Host

The Tulsa Board was host at a luncheon. In behalf of the association Guy M. Landes presented gifts to Mr. Stone and to Fred Daniel, state director for three years. A token of appreciation was also presented M. B. Breeding, retiring president, by Mr. McKown.

Mr. Fox presented the secretary-treasurer's report. The activities of the legislative committee were outlined by Chairman McKown. An encouraging report of the achievements of the educational committee was presented by Mr. Breeding. The meeting closed with a demonstration of "Explosives" given by G. M. Kentz, Bureau of Mines, Dallas.

President-elect Parrish served as vice-president last year. He has been a local agent in Tulsa for 19 years, since 1932 as head of his own agency.

## A.M.A. Personnel Division to Meet

The American Management Association announces that the conference of its personnel division will be held at the Palmer House, Chicago, June 13-15. The main subjects will be the industrial relations outlook; full employment, the problems involved and conditions required; war's impact on labor relations; factors in industrial relations planning; war's lessons in personnel administration; personnel adjustments during reconversion; relaxation of government control in labor relations; national labor policy, developing a workable pattern; the foremen's dilemma, foremen's unionism—its legal status; company program for foremen; significant new and future labor demands; the problem of industry; wide collective bargaining, and techniques of collective bargaining.

The annual business meeting of the American Management Association will take place in conjunction with the personnel conference June 14. It will elect new board members.

Mr. Kennedy made a most favorable impression upon the guests. His plans will bring him frequently to Chicago.

Among the guests at the luncheon outside of those from Chicago were B. A. Jochen of Rockford, Ill., western manager American; Fred M. Gund of Freeport, Ill., western manager of Crum & Forster; John A. Diemand, president of the North America group; J. J. Harrison of Minneapolis, manager of Marsh & McLennan, and Van Rudd, M. & M. manager at Detroit.



H. F. Parrish

## Relaxation in WPB Order L-41 Should Ease Adjustments

WASHINGTON—The amendment to the War Production Board's Order L-41 raises the annual dollar value limits on various types of construction that may be undertaken without WPB authorization and is expected to aid considerably in the adjustment of losses, fire, use and occupancy and rents. U. & O. and rents loss adjustments have been aggravated by the limitation on what could be spent to put the structure back into use, and the restrictions have delayed and complicated settlements of fire losses. There are still shortages of lumber and other materials and of manpower, however, which will continue to act as a brake on rebuilding.

Chief provisions of the amended construction order are given below.

#### Details of Limitations

Categories are somewhat different from those formerly established and cost ceilings have been raised to approximately five times the former amounts. Types of buildings and cost limits are:

One-family house, including farmhouses, \$1,000; two-family house, \$2,000; three-family, \$3,000; four-family, \$4,000; and five-family, \$5,000. These limits apply to repair and maintenance work as well as to alterations and new construction. Cost limit for a house up to and including a five-family house was formerly \$200.

Farm construction, exclusive of farmhouses, \$1,000.

Hotel, apartment building or other residence for six or more families, \$5,000, formerly \$1,000.

#### Office, Bank, Store, Etc.

Office, bank, store, laundry, garage, restaurant, theatre, warehouse or other retail or wholesale service establishment, including a frozen-food locker plant, \$5,000, formerly \$200, except warehouses with a \$1,000 limit, frozen-food locker plants, \$200.

The amount of maintenance and repair work that may be done on buildings in categories in the two paragraphs above is limited. Formerly there was no such limitation.

A church, hospital, school, college, USO club, public playground for children, a publicly-owned building or group of buildings used for public purposes, an orphanage or other building used exclusively for charitable purposes, military exchange on an army or navy reservation, \$10,000. Three former categories with \$1,000 limits have been combined in this group, and some new types of construction have been added.

#### Factories, Bridges, Terminals

A factory, plant or other industrial plant including logging and lumber camps, a bridge, over- or under-pass, tunnel, dock, pier, commercial airport, bus terminal, truck terminal operated by a common or contract carrier, a railroad or street railway building or group of buildings, a research laboratory or a pilot plant, \$25,000. Formerly, the cost limit for a bridge, over- and under-pass, tunnel, dock, pier, airport, bus or truck terminal, railroad or street railway buildings, was \$1,000. The limit for a factory or plant was \$5,000, with certain exceptions.

Any other kind of unit, \$1,000. Cost limit for this category was formerly \$200. Twenty-three special kinds of construction may be undertaken without WPB permission regardless of annual cost limits. These exceptions are, in general, the same as formerly appeared in the order, its Schedule B and interpretations and directions.

The amount of maintenance and repair work on hotels, apartment buildings and other residences for six or more families, and offices, banks, stores, and other retail or wholesale service establishments, in any year may not exceed 20 cents for each square foot of gross floor area. In addition, the owner may use up part or all of his \$5,000 exemption for repairs, but the allowance for new construction must be reduced accordingly. Repair and maintenance work costing above the permitted amount requires WPB authorization.

#### Article on Fire Waste

The July issue of the magazine, "This Month" features an article entitled "Money to Burn," by Adele Gilruth of the Safety Research Institute, on fire and its cost to the nation.

Most of these fires could be avoided if people were careful, the article states. It puts particular blame on the housewives of the country for unsafe housekeeping.

## Uniform State Laws Group Offers to Give Assist to Insurance

### Commissioners at St. Paul Meeting Discuss Basis of Cooperation

ST. PAUL—The offer of the National Conference of Commissioners on Uniform State Laws to give an assist to the commissioners in securing passage of insurance legislation in the various states was weighed by the N.A.I.C. executive committee at its opening session here Saturday. In general the offer was welcomed, but more information was desired on what form the assistance would take and whether it would mean that the conference would want to take a hand in shaping the legislation as well as promoting its passage.

The laws and legislation committee of the N.A.I.C. at its meeting here Tuesday afternoon voted to accept the offer of the National Conference of Commissioners on Uniform State Laws to aid in promoting the passage of uniform laws that may be originated by the commissioners to take care of the federal situation. It was emphasized that such aid will be welcomed after the commissioners have designed the substance of the legislation. Frazier of Nebraska presided as chairman.

#### Legislation in Florida

Thompson of Oregon as chairman of a subcommittee said Florida is the only state in which the commissioners bill on unauthorized insurance has been introduced this year. It has passed the house there. This bill prohibits a domestic company from soliciting business in any state in which it is not licensed. As to the Hobbs bill in Congress Mr. Thompson said he has misgivings, because it introduced an element of positive federal regulation. More effective than the Hobbs bill, he asserted, would be the commissioners bill if enacted in all states. The principal problem is in the accident and health field. There are some life insurance operations involved, however. The complaints as to A. & H. are continued and repeated, he said.

There was considerable discussion as to legislation governing hospital associations.

Sidney Clifford of the law firm of Sherwood & Clifford, Providence, had appeared before a group of commissioners at New York recently to extend the conference offer, which was reinforced by a letter from A. C. Prior of Burlington, Ia., president of the conference, who stated that its executive committee at a meeting at Chicago June 14 wants to consider the insurance situation.

#### Where Cooperation Begins

McCormack of Tennessee raised the question of where the proposed cooperation might begin, if the conference representatives desire to take an interest in the substance of recommended uniform legislation that might cause further delays. Dineen of New York voiced the belief that the conference does not desire to tackle the matter de novo, but that the procedure would be for the commissioners to "feed" the material to the conference and the latter would endeavor to get legislative support.

Allan of Connecticut declared it would be extremely helpful to have the cooperation of the conference and Dineen expressed the hope the commissioners will strive to find some way to utilize the facilities of the conference. First,

(CONTINUED ON PAGE 28)



## Hot Referendum Fight in Arizona on Insurance Laws

The American Mutual Alliance is directing the fight in Arizona to knock out the new rating law of that state via the referendum route. In that state a law can be submitted to referendum vote if petitions are signed by 8% of the voters. The local agents of Arizona are resisting the referendum move strenuously.

The mutuals object particularly to the provision in the fire rating bill, SB65, requiring every insurer to belong to a bureau and specifying that a bureau must embrace at least five companies and to the provision in SB 67 for qualification of agents, including the creation of an examining board consisting of five agents.

The mutuals are not fighting SB 66, which is the casualty rating law and is almost identical to the so-called industry bill. They are not seeking a referendum on SB 67 in its entirety but only the qualification feature. SB 67 contains a number of other provisions, including immunity to officers and directors in paying taxes, setting up the insurance department on a new basis, repealing the retaliatory law.

### Stock Companies on Side Lines

Neither the National Board nor Pacific Board are taking a hand in opposing the referendum, but the agencies are much interested in preserving the laws.

The Arizona legislation was passed in short order and many insurance legislation people were caught somewhat by surprise. The legislative reporting services were slow, and at one time, due to telephone congestion, it was impossible for those interested in the legislation to reach Phoenix by phone.

In the instructions to the circulators of referendum petitions, the mutuals say if SB 65 remains a law, every purchaser of insurance will pay larger insurance premiums than he would have to pay if this bill is not allowed to become a law.

"Let's preserve competition in the insurance business in Arizona for the benefit of the insuring public . . .

"Let the voters . . . decide whether SB 64 and sections 9 and 10 of SB 67 shall become a law. Ample opportunity will be given by the time of the next general election for those opposing this legislation as well as those sponsoring it to fully advise the voters of the results that will flow from this legislation.

"On June 5, 1944, the U. S. Supreme Court reversed earlier decisions of that court, and squarely held that insurance business is interstate commerce, and thus the Congress has the unquestioned power to alone pass laws to regulate the insurance business.

"If Congress passes such laws, then the states cannot regulate the insurance business. Congress in 1945 passed a law giving the states until Jan. 1, 1948, to enact regulatory laws that will prevent insurance companies restraining interstate trade and commerce by fixing and maintaining arbitrary and noncompetitive premium rates on all insurance, and which will prevent insurance companies from monopolizing trade and commerce and which will prevent boycotts and other types of coercion and intimidation of insurance business.

"The legislation sought to be referred to a vote of the people was sponsored by the old line stock insurance companies and their representatives. More than 100 of the largest mutual insurance companies believe that mutual insurance companies cannot carry on insurance business in Arizona under the provisions of SB 65, and that by the provisions of this bill old line stock insurance companies are given a monopoly upon the insurance business in Arizona.

"The states of California, Nevada, Utah, Montana, and perhaps other states, this year refused to pass laws like SB 65 and sections 9 and 10 of SB 67, sponsored by the same old line stock insurance companies and their repre-

## New President of N. Y. Insurance Society

A. F. Lafrentz, president of American Surety and first vice-president of New York Casualty, has been elected president of the Insurance Society of New York.

Organized in 1901, the society provides and maintains an organization for educational purposes, primarily in connection with or relating to insurance. It maintains a reading room and reference library at 107 William street. Mr. Lafrentz succeeds William A. Riordan of the Aetna Life companies, who has served as president of the society since 1942.

David C. Beebe, U. S. Aviation Underwriters, and Paul J. Kennedy, Halifax, are vice-presidents; E. R. Hardy is secretary and A. J. Smith, Zweig, Smith & Co., treasurer.

In accepting the office Mr. Lafrentz stated that the society faces immediately its greatest opportunity. The intensive schooling that the returning veterans received in service has increased their regard for technical information such as the Insurance Society is able to furnish them in civilian life.

The recently enacted adjusters licensing law was discussed and the consensus is that it should be amended so as to set up qualifications for various categories of adjusters.

### Bill on OCD Fire Equipment

WASHINGTON—OCD fire fighting equipment in possession of state political subdivisions or volunteer fire companies would be given to them, under a bill introduced by Rep. Slaughter, if they agree that in the event of sale or exchange of such equipment by them, they will pay to the federal government the sale or exchange price.

The National Fire Waste Council favors disposal of OCD surplus emergency fire fighting equipment at nominal prices to local communities and fire companies, particularly in rural areas.

### Texas Tax Bill Signed

Governor Stevenson of Texas has signed the bill equalizing gross premium taxes on life and health and accident business done in Texas. A similar bill for fire and casualty companies is awaiting his signature.

Representatives who persuaded the Arizona legislature in 1945 to enact SB 65 and sections 9 and 10.

"SB 65 authorizes the formation of rating bureaus and makes it compulsory on all insurance companies doing business in Arizona to join a rating bureau. The rating bureau fixes the rates that the insurance companies shall charge and the insuring public shall pay, subject only to approval by the Arizona corporation commission, and we suggest such approval will be but little more than a formality as your experience with utility rates demonstrates. Mutual and other insurance companies who can and want to sell insurance to the insuring public at a lower premium rate will not under the provisions of SB 65 be allowed to do so.

"Sections 9 and 10 of SB 67 will require every person who wants to go into the insurance agency business to take an examination not given by public officials but given by existing insurance agents doing business in the state. No one wants an existing or prospective competitor to be the judge of his qualification to engage in business.

"SB 65, while authorizing the creation of rating bureaus from a practical standpoint will legalize the existing rating bureau in Phoenix and exclude the creation of other rating bureaus."



A. F. Lafrentz

## N. Y. Right to Bar Unlicensed Agent Comes Up June 12

NEW YORK—A. W. Arnold, attorney for Charles Mendola, has served papers returnable June 12 in special term of the New York Supreme Court in connection with Mr. Mendola's suit against Superintendent Dineen alleging that the New York licensing laws unduly interfere with interstate commerce. Mr. Arnold is seeking a judgment on the pleadings, since there is no question of fact involved. Assistant Attorney-General McNulty of New York state, who is defending the superintendent, has filed a cross-motion, conceding all the facts alleged in the Mendola complaint but denying that the superintendent's restraint on Mr. Mendola as an unlicensed agent constitutes a burden on interstate commerce. Mr. Mendola is an agent of American Farmers of Phoenix, Ariz.

The case, which was instituted before Congress passed public law 15 upholding the right of the states to tax and regulate the insurance business, has excited considerable interest. Delay in the progress of the suit aroused some speculation as to whether the enactment of public law 15 had discouraged Mr. Mendola from continuing his action. However, it turned out that the delay was mostly due to conferences between Mr. Arnold and Mr. McNulty on revising the complaint so as to clarify the points at issue.

## Cal. Trucking Firms Form Reciprocal

LOS ANGELES—Transport Insurance Exchange, a reciprocal, has been formed here by long distance and heavy duty trucking concerns. Application has been filed with the California insurance department for license. Transport Underwriters Association will act as attorney-in fact for the exchange, which will write fire, theft and transportation, automobile public liability and property damage, general liability and property damage, cargo liability, automobile collision and miscellaneous liability lines.

The application shows 100 members who have paid in \$812 in premiums and have contributed \$200,000 surplus which has been deposited in the Citizens National Trust & Savings Bank.

Officers of the Transport Underwriters Association are: President, Brynn W. Belyea, president Belyea Trucking Co., Los Angeles; vice-president, Joseph Tanzola, J. Cantley Tanzola & Tanzola, Los Angeles; treasurer, Howard M. Lang, president Lang Transportation Co. and Long Beach Motor Bus Corporation; secretary, John E. Carroll, president Signal Trucking Co.

Sam A. Simpson, who recently resigned as vice-president and general manager of the Truck Insurance Exchange, Los Angeles, is assistant secretary.

On the list of 100 policyholders are these trucking firms: Valley Express Co., Fresno, Cal.; Valley Motor Lines, Fresno; System Freight Service, Los Angeles; Arrow Transportation Co., Los Angeles.

Joe Crider, Jr., insurance attorney, is counsel for the applicants.

### Agnew Entertains Westerners

Frank J. Agnew, National Board representative on the Pacific Coast, was host to the western commissioners at the N.A.I.C. convention Monday morning at St. Paul. This is an annual get-together that is arranged by Mr. Agnew.

Lt. Col. Rollin B. Moore, formerly an adjuster of Western Adjustment at Kansas City, has returned to the U. S. after serving two years overseas with the army air corps and will now be stationed in Washington.

## More Heavy Hail Losses to Insurers in Middle West

Preliminary estimates on the amount insurers will pay for damage done to property in and near Cairo, Ill., last week place the number of claims at 3,000 and the average loss per claim at \$100, for a total of \$300,000. Practically every house and building in Cairo was hit.

The hail storm was accompanied by a wind that reached 50 miles an hour velocity. The storm lasted only a few minutes. Some roofs were torn off and others were riddled by hail stones. Many windows were broken, and some automobiles were damaged. The wall of one business house was blown in.

Between 3,000 and 4,000 claims averaging \$150 apiece for a total loss to insurers of \$300,000 to \$500,000 resulted from hail and wind storms which struck at various points in Kansas. There are approximately 1,000 claims at Emporia, and between 2,000 and 3,000 at Smith Center, Concordia, Salina, Hoisington, Belleville and Portis. In addition, Pittsburg, Columbus, Iola, and Independence, Kan., and Rich Hill and Rockville, Mo., were hit by hail and wind.

The number of heavy hail storms in populated centers has not increased substantially in the past two or three years but the amount of insurance involved has. The increased loss has grown largely out of the spread in extended coverage. Agents have been including it in the fire policy more and more. There is always a big demand for it following a storm, and the public generally is claim conscious. There is hardly a community of any consequence throughout the country where a storm would not produce a number of losses, and as time goes on practically every loss constitutes a claim against an insurance company. It is not so widely written on contents.

In Wichita last year, in St. Louis this year, and in other storm hit areas a second and even third hail storms do damage before claims for the first one are settled and repairs made.

Dwelling house business has always been a fairly profitable one for the companies up until last year when it was not for many of them. Probably the one answer to the problem is more money for the risk, since the public would protest if the coverage were withdrawn or restricted, and no company executive has advanced this approach to the problem anyway. However, because of unsettled conditions in the business growing out of the Southeastern Underwriters Association case plus the political difficulties in the way of getting an increase in a line affecting large numbers of people, rate increases in the fire and E. C. policy at present are not being advocated. If losses continue to mount, under both fire and extended coverage, the problem would become critical and there would be no other solution.

## Des Moines Soy Bean Mill Burns, Loss Over \$200,000

DES MOINES—Fire virtually destroyed the 2½-story soybean mill of Spencer Kellogg & Sons here. The plant, which milled 6,000 bushels of soybeans every 24 hours, turned out approximately 140 barrels of soybean oil a day.

J. W. Pooley, manager of the plant, said he was unable to estimate the damage as insurance and other financial records of the company are maintained at the head offices in Buffalo. The insurance was handled by the John A. Eckert brokerage firm in New York. Damage was estimated at more than \$200,000.

The alfalfa dehydrating plant of the Ames Reliable Feed Co., near Ames, Ia., was destroyed by fire. The loss, approximately \$75,000, was not insured.



# Let's all go with - **THE MIGHTY**

THIS SEVENTH OPPORTUNITY TO HASTEN THE SUCCESSFUL END OF THE WAR SHOULD FIND ALL OF US DEEPLY GRATEFUL FOR THE PRIVILEGE OF SHARING. DON'T HOLD BACK WAITING TO BE SOLICITED THIS TIME. DOING OUR BIT IS NOT GOOD ENOUGH NOW. DOING OUR UTMOST IS A MORE WORTHY GESTURE TOWARD THESE MEN WHO FIGHT FOR US. IF OUR UTMOST MEANS ONLY A FINANCIAL OFFERING, WE ARE INDEED FORTUNATE. THIS SEVENTH DRIVE—WHICH MAY BE PART OF OUR FINAL PUSH—MUST TOP THE SIXTH ONE!

# THE WAR LOAN

## CRUM & FORSTER

MANAGERS

110 WILLIAM STREET • NEW YORK, N. Y.

United States Fire Insurance Co. . . . . Organized 1824  
The North River Insurance Co. . . . . Organized 1822  
Westchester Fire Insurance Co. . . . . Organized 1837  
The Allemannia Fire Insurance Co. of Pittsburgh . . . . . Organized 1868

Richmond Insurance Co. . . . . Organized 1836  
Western Assurance Co., U. S. Branch . . . . . Incorporated 1851  
British America Assurance Co., U. S. Branch . . . . . Incorporated 1833  
Southern Fire Insurance Co., Durham, N. C. . . . . Incorporated 1923

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## Set Up Governing Unit for I.M.I.B.

NEW YORK—G. Brinton Lucas, vice-president of North America, is chairman of the executive committee of the Inland Marine Insurance Bureau. Harold L. Wayne is general manager and Joseph G. Bill assistant manager and counsel. Other executive committee members are H. I. Bartlett, Boston; W. F. Beyer, Home; J. L. Powell, Chubb & Son; S. W. Carey, 3rd, Providence Washington; F. D. McBride, Fireman's Fund; E. J. Perry, Jr., Automobile; A. W. Barthelme, North British; G. G. Quirk, Aetna Fire; L. M. Baldwin, Travelers; L. R. Ross, Phoenix; H. B. Degray, Appleton & Cox companies; W. F. Boylan, St. Paul F. & M.; Harold Jackson, W. H. McGee companies; J. V. Herd, Continental. There are 160 members in the new bureau which was organized to handle the filing of forms, rates, and other matters with the New York department under the recent legislation which subjects class ruled inland marine risks to rate regulation in New York as of July 1. The charter and by-laws have been agreed upon and the bureau is now ready to begin operations. The headquarters are at 99 John street, New York City.

## Delay in Publication of Biddle Correspondence

WASHINGTON—Unofficial explanation at the department of justice of the delay in providing for publication of an exchange of letters between Attorney General Biddle and a representative of the National Association of Insurance Commissioners is that the matter was referred to Manuel Gorman, insurance special attorney of the anti-trust division, for handling.

Gorman attended Biddle's conference with the commissioners' delegation, but left immediately afterwards for Newark, where he has been engaged ever since on another department case. It is not known when he will return.

When it was suggested at the department that this matter of correspondence might be held up pending the change-over from Biddle to Tom Clark as Attorney General, a spokesman indicated a change in policy would be unlikely in the department with respect to insurance.

Ensign Howard Weiss, former all-American football star at the University of Wisconsin and later with the Robert Co. agency in Milwaukee, is now on an LST at Saipan and took part in the invasion of Okinawa.

## Push Bank Finance Plan at Chicago Agents Meeting

Automobile financing through banks with insurance written through agents and brokers was explained at a crowded meeting sponsored by the Chicago Insurance Agents Association this week. The meeting, which attracted over 200, was backed by the Insurance Brokers Association of Illinois, Association of Casualty & Surety Managers and other local associations.

R. C. Larson, Hartford, field supervisor Aetna Casualty; F. G. Anger, vice-president Industrial National Bank of Chicago; J. F. Keeley, vice-president Lake Shore National Bank; G. A. Seaverns, Jr., president brokers association, and Wade Fetzner, Jr., president W. A. Alexander & Co. and chairman of the National Association of Insurance Agents public relations committee, were the speakers. E. L. Lederer, vice-chairman Chicago Insurance Agents Association, presided because of the illness of President L. P. Warren.

### Sound Film Made

Portions of the meeting were photographed and will be used in a sound motion picture on this subject, to be distributed by Aetna Casualty. D. K. Weiser, assistant manager Aetna Casualty, who introduced Mr. Larson, said that it will be shown before insurance and banking groups beginning this fall and will include talks by W. R. Thomas, Pittsburgh, president, and H. H. Hendren, Sacramento, Cal., chairman financed accounts committee of the National association.

Almost every speaker referred to the late Robert Umberger, vice-president Industrial National Bank, one of the pioneers in the bank-agent movement, whose talk on this subject made a great hit at the National association meeting at Milwaukee last fall. Each speaker also emphasized that there is no question but that a bank and an insurance agent offer an automobile buyer a better product and better service than a finance company, but the big problem is to change ingrained habits. All urged starting now to let clients know of this service, before they can buy new cars.

Messrs. Larson and Anger both said that bank-agent plans have been known by a variety of names, but they all amount to the same thing—inducing the customer to finance his automobile purchase through a local bank and buy his insurance through his agent. Mr. Keeley said the plan can be sold mainly through service. The agent should have all papers ready, have a credit report in advance, assist his client in getting a priority if necessary and, if possible, have matters so well in hand that the customer need not even go to the bank. This, he said, involves work, "but if you wonder whether it is worth while, ask any automobile dealer." Mr. Fetzner said that finance company competition is strong, but agents should not be frightened by it; that, on the contrary, finance companies are thoroughly worried that bank-agent plans will deprive them of the most desirable finance business.

## Name Three to Study Philippine War Damage

WASHINGTON—The long expected appointment of War Damage Corporation special investigators to survey war damage in the Philippine Islands was announced Monday by Federal Loan Administrator John W. Snyder. They are Frederick E. Vincent, New York City; Ralph R. Moe, Salt Lake City, and Kenneth H. C. Dunbar, Los Angeles.

They are expected to be busy in the islands for some time, depending upon army operations, the progress of the war, transportation and other conditions.

Snyder explained they "will not attempt to review or adjust claims of any description." Their assignment will be to calculate the total amount of war damage in the various reoccupied areas and, based upon their findings, to recommend to War Damage Corporation such further action as may be necessary or desirable for the corporation to take in connection with its functions under the war damage insurance law.

The investigators will work under the general supervision of Howard Klossner, WDC president.

Meanwhile, Senator Tydings, Maryland, chairman of the Filipino relief and rehabilitation commission, having returned from a hasty survey of Philippine conditions, at head of a special mission to the islands, is reporting to the President and Congress. That commission has before it the Taft bill to extend WDC general coverage to the Philippines and proposals to provide a lump sum for Philippine damage and rehabilitation. Tydings said his mission estimated the property damage, among other things.

Mr. Vincent for several years has been with the American Foreign Insurance Association, acting as manager of its Shanghai branch from 1924 to 1929. During two years of Japanese occupation of Shanghai, Mr. Vincent was chairman of the war risk insurance committee which handled the affairs of all insurance companies which had liabilities in the Shanghai area. He has been assistant manager of the A. F. I. A. since he returned to the United States in 1939.

Mr. Moe entered the insurance adjustment field in 1924 with the Pacific Coast Adjustment Company (now Fire Companies Adjustment Bureau) and since 1931 has managed the Salt Lake City branch of the Fire Companies' Adjustment Bureau.

Mr. Dunbar entered the adjustment field in 1923 and in 1926 joined the Pacific Coast Adjustment Bureau.

Both Mr. Moe and Mr. Dunbar represented War Damage Corporation in investigating claims made against the corporation for war damage occurring in Hawaii and the Aleutians.

T. Anglin White of Birmingham, Ala., former president of Alabama Association of Insurance Agents and member of the local agency of McConnel, White & Terry of Birmingham, suffered a partial stroke a few weeks ago and has been under treatment since.

# NEW YORK FIRE INSURANCE COMPANY

INCORPORATED 1832

FINANCIAL STATEMENT

December 31, 1944

### ASSETS

Cash .....	\$ 716,165.69
U. S. Government Bonds* .....	2,472,356.87
Other Bonds and Stocks* .....	4,196,996.87
Mortgage Loans .....	16,000.00
Premiums and Accounts Receivable .....	267,686.98
Reinsurance Receivable .....	37,713.29
Accrued Interest .....	21,271.37
	<hr/>
	\$7,728,191.07

### LIABILITIES

Reserve for Unearned Premiums .....	\$3,542,321.36
Reserve for Losses .....	485,225.28
Reserve for all other Liabilities .....	109,948.43
Capital .....	\$1,000,000.00
Surplus .....	2,590,696.00
	<hr/>
Surplus to Policyholders .....	3,590,696.00
	<hr/>
	\$7,728,191.07

\*Bonds and stocks valued on basis approved by National Association of Insurance Commissioners. If actual December 31, 1944 market quotations of bonds and stocks had been used the assets would be \$8,043,117.17 and the policyholders surplus \$3,905,622.10. Securities carried at \$522,455.17 in the above statements are deposited for purposes required by law.

**CORROON & REYNOLDS, Inc.**

Manager

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## LEONHART AND COMPANY, INC.

### REINSURANCE Treaty—Facultative

1020 St. Paul Street

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40 Exchange Place

New York 5

Phone: HANOVER 2-6384

## Hold Meet

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## NEWS OF FIELD MEN

### Hold Grand Nest Meet Aug. 22-24

MINNEAPOLIS — A streamlined grand nest meeting of the Blue Goose will be held in Minneapolis Aug. 22-24. Thomas G. Linnell, most loyal grand gander, announced this week. Headquarters will be at the Nicollet hotel. If transportation conditions clear up sufficiently before that time, the grand nest officers hope to make the meeting a full-sized convention.

"It is the considered judgment of our grand nest officers that it is for the general good of the Blue Goose to hold a grand nest meeting this year and advance the present officers, elect a new grand keeper and consider the necessary business of the order," said Mr. Linnell in a letter to all the ponds.

The plan calls for an official registration of 50. This would allow for one delegate from each of the 44 ponds and the six grand officers.

Mr. Linnell said the Minnesota pond, as host, is willing to cooperate in this manner and get ready for either a streamlined or full meeting.

Some months ago the grand nest meeting was canceled in compliance with the ODT ban on conventions of more than 50 persons. At that time, however, it was announced that the matter was subject to review, in the hope that conditions prevailing later would permit the meeting.

Mr. Linnell will go to Des Moines June 15 for an official visit to the Iowa pond and will visit the Wisconsin pond June 25.

### McKenzie Named Head of St. Louis Blue Goose

ST. LOUIS—W. A. McKenzie, Underwriters Adjusting, has been elected most loyal gander of the St. Louis Blue Goose, succeeding Frank P. Flick, Automobile. Supervisor is Robert M. Gishburn, Home; custodian, Leonard S. Poor, Missouri Inspection Bureau; guardian, George J. Seibold, America Fore; keeper, A. F. Wilde, North America, and welder, W. Ayton Cox, George D. Capen & Co.

Delegates to the grand nest meeting are Mr. McKenzie and Mr. Cox. Members awarded 25-year pins included Willard C. Anderson and Milton I. Parker, Missouri Inspection Bureau; Alonzo Fruchte and John W. Mackay, Western Adjustment; Ed M. Garlich, Glens Falls, and Mr. Cox. Six candidates were initiated.

### Forster Special Agent of Sun in Wisconsin

Albert K. Forster has been named special agent of Sun in Wisconsin and northern Michigan. Several months ago State Agent F. L. Weineck underwent an operation which necessitated his absence from field duties, but he is now improving and gradually resuming active duties. Mr. Forster will assist Mr. Weineck from the state agency's headquarters at 728 North Jefferson street, Milwaukee. Mr. Forster has been in the western department learning underwriting procedure and previously was in appraisal and other insurance work.

### Renew Bunten Candidacy for Grand Nest Office

DES MOINES—At the annual meeting of the Iowa Blue Goose here June 15, plans will be renewed for the candidacy of James H. Bunten for grand nest office, following announcement that the grand nest meeting will be held at Minneapolis Aug. 22-24. The Iowa pond previously had endorsed Mr. Bunten as candidate for the central district but a

campaign had been held in abeyance until it had been determined whether the grand nest meeting would be held.

Mr. Bunten is Iowa state agent of Fire Association and has been with the company 17 years. He is now president of the Iowa Fire Prevention Association and has held all the offices in the Blue Goose and the Iowa Fire Underwriters Association.

Thomas G. Linnell, most loyal grand gander, will install the newly elected officers and speak at the banquet that

evening. Four or five candidates will be initiated.

Ray Waterman of the Iowa state bureau of investigation spoke before the Iowa pond at its weekly luncheon.

### Ind. Prevention Meeting

The program of the annual meeting of the Indiana Fire Prevention Association June 18 is announced. Governor Gates will be the main speaker at the luncheon session, at which state officials will be present and will make talks. Fire Marshal Carter Brower will be presented to the insurance fraternity. Richard E. Vernor, manager of the fire prevention department of the Western Actuarial

Bureau, will speak, as will Clarence A. Jackson, executive vice-president and manager of the Indiana Chamber of Commerce. Other state officials who will attend are Brig. Gen. Elmer W. Sherwood, state adjutant general, and Col. Austin R. Killian, superintendent of police. Alwin E. Bulau, Home, is president of the association, and arrangements for the meeting are being made by Cortland O. Bray, Hartford. The business meeting and election of officers will be held in the afternoon.

### W. Va. Blue Goose to Meet June 20

The annual meeting of the West Virginia Blue Goose will be held in Wheel-

## UNITED NATIONS CONFERENCE ON INTERNATIONAL ORGANIZATION

The eyes of the world are on San Francisco.

\* To commemorate the United Nations Conference on International Organization, the May issue of "Fireman's Fund Record" is devoted to the romantic story of San Francisco.

\* A copy of "Storied San Francisco" has been sent to all who regularly receive the "Record". Perhaps you would like to have a copy of this handsome booklet. If so, we shall be pleased to send you one on request.

## FIREMAN'S FUND GROUP

Fireman's Fund Insurance Company  
Fireman's Fund Indemnity Company  
Home Fire & Marine Insurance Company  
Western National Insurance Company  
Western National Indemnity Company

SAN FRANCISCO · NEW YORK · CHICAGO · BOSTON · ATLANTA

ing June 20 in an all day affair beginning with a business meeting, initiation and election in the morning. There will be a golf game in the afternoon and dinner and entertainment in the evening.

### Ill. Pond to Meet June 18

The annual meeting of the Illinois Blue Goose will be held June 18 in the auditorium of the Chicago Board, beginning at 1:30 p.m. Officers will be elected and a considerable amount of business transacted.

### Thomas with K. C. F. & M.

Kansas City Fire & Marine has appointed Gene K. Thomas special agent in Kansas, assisting Cecil C. McGee, Kansas state agent at Topeka. Mr. Thomas is a graduate of the College of Emporia, Kan., and for several years was manager of the Sorenson Brothers agency at Topeka. Before joining K. C. Fire & Marine he was with the Kansas Compensation Rating Bureau at Topeka.

### Smith Puddle Elects Dillman

The Dan T. Smith Blue Goose puddle at Springfield, Ill., at its stag meeting last week elected G. R. Dillman, America Fore, bull frog; Herbert A. Elkins,

Century, tadpole; Paul W. Stone, Underwriters Adjusting, croaker. During the afternoon the qualifying match for the Illinois pond's state championship was played. Homer Sturgeon, Pearl, was first, and Del Oliver, Emmco, second. The tournament was followed by a steak dinner.

### Tenn. Field Meetings June 19

NASHVILLE—The Tennessee Fire Underwriters Association, Tennessee Fire Prevention Association, and Tennessee Blue Goose will hold their annual meetings here, June 19, with a Blue Goose dinner-dance in the evening. Commissioner McCormack will speak.

### Fry in North N. J. for Agricultural

Carl F. Fry has been appointed special agent of Agricultural and Empire State in northern New Jersey.

### Guempel Elected in N. J.

NEWARK—At the annual meeting of the New Jersey Special Agents Association these officers were elected: President, Merbert G. Guempel, Northern, N.Y.; vice-president, Albert E. Monsanto, Firemen's group; secretary, Scriven

Morrison, Home; treasurer, George P. Albiez, Eureka-Security.

Lt. W. L. Nolen, USN, was honored at a Michigan Blue Goose luncheon in Detroit when he dropped in unexpectedly after having been in the south Pacific since February, 1943. He formerly was manager of North British in Michigan.

The annual picnic of the Alamo Blue Goose was held at San Antonio, with 60 in attendance, including members and their families.

R. N. Colvin, American, was chairman of the Kansas Blue Goose luncheon today Monday at the Jayhawk Hotel, Topeka. Thirty members attended. Roy Stohr, Aetna Fire, will preside at the next luncheon June 18.

## CHICAGO

### BEARD AGENCY IS APPOINTED

The Robert H. Beard & Co. class 1 agency of Chicago recently became general agent of Continental Assurance. Beard & Co. has appointed Marvin L. Schoen as supervisor of the life department to develop business among the brokers.

Mr. Schoen has had eight years of life insurance experience with Phoenix Mutual and New England Mutual in Chicago, after several years as a metallurgical laboratory assistant in Chicago, following studies at Purdue. He has had a brokerage license and has done a substantial amount of general business as well as life.

### DIEMAND IN CHICAGO

President John A. Diemand of the North America group was in Chicago Monday en route to St. Paul to attend the insurance commissioners' meeting. Knowing that he would be in the city, Chairman C. W. Seabury of Marsh & McLennan invited him to the luncheon given that day at the Chicago Club by his organization in tribute to President L. S. Kennedy of New York City.

### EVENING WORK POPULAR

Springfield F. & M. in going on a 44-hour week in its western department at Chicago recently decided to continue to close Saturdays and instead to work Thursday evenings until 9:30. A number of other department offices are operating until 9:30 one evening a week including America Fore, Firemen's and National. It is believed the first office to introduce such hours was W. A. Alexander & Co.

### C. T. ROTHERMEL, JR., RETURNS

Charles T. Rothermel, nephew of Samuel Rothermel, firm member of the Moore, Case, Lyman & Hubbard class 1 agency of Chicago, and son of the late Charles T., Sr., a broker with that agency, has returned from the service with an honorable discharge and has resumed his work as a special agent in the life department under the supervision of R. B. Kegley, manager. The life department is general agent of John Hancock Mutual Life. He was a lieutenant in the army stationed recently at Louisville.

J. W. Burden, assistant western manager of Hartford Fire, spent a week in Kansas visiting agents with O. D. Butcher and R. M. Covington, special agents.

Miss Agnes Brown will be honored June 16 at a luncheon on her 25th anniversary with the Aetna Fire western department.

The Sioux Falls (S. D.) Association of Insurance Women at its May meeting elected Miss Ethel Aye of Roberts-Cook Realty Co., president; Lillian Skola of the Fire Underwriters Inspection Bureau, vice-president; Ellen Swensen, Queen City Fire, treasurer, and Shirley Lonsberry, Regan General Agency, secretary.

## NEW YORK

### WOOTTON OPENS OFFICE

Harlan S. Wootton has left Prentiss Reed to open an adjusting office, Harlan S. Wootton & Company, 45 John street, New York City. Mr. Wootton has been an adjuster for 31 years, having been with Fidelity-Phoenix four years, Merchants Fire one year, Atlas 25 years as a general adjuster, before going with Prentiss Reed recently. Associated with Mr. Wootton is Walter S. Tobias.

### N. Y. BOARD COMMITTEES

A. J. Smith has been reelected chairman of the committee on losses and adjustments and a director of the New York Board of Fire Underwriters, and John W. Begg has been reelected vice-chairman of that committee.

A. R. Phillips was reelected chairman of the laws and legislation committee, and Albert N. Butler vice-chairman.

President Wm. A. Riordan has appointed additional directors: A. Ross Hanners, Chris D. Sheffe, and George F. Kern.

### N. Y. INSURANCE WOMEN ELECT

The Insurance Women of New York held their annual meeting this week and reelected all officers. Viola C. Whaley, Northern Assurance, is president; Agnes Loughed, U. S. F. & G., vice-president; Jeannette Hansen, Appleton & Cox, corresponding secretary, and Florence Luke, Aetna Life, recording secretary. Earl Godwin, news commentator, was the guest speaker.

### Saul Named General Auditor

KANSAS CITY—Richard R. Saul has been appointed general auditor and supervisor of systems and procedure of Kansas City Fire & Marine and R. B. Jones & Sons. He was recently released from the army after serving for five years. He was a major in the quartermaster's military mission, having been stationed in Central and South America for four years.

Before entering service Mr. Saul was with Aetna Casualty as a home office special agent for 12 years. He has designed accounting systems, credit control and collection systems for a number of agencies.

### Pass Mass. Multiple Line Bill

BOSTON — Both Massachusetts houses have passed the multiple line bill and the governor is expected to sign it. The rate supervision bill is still in the joint insurance committee. The house taxation committee has reported the 2% gross premium tax bill on other than life premiums.

M. C. Buckingham, Jr., combat photographer with the marines, son of M. C. Buckingham, Indiana state agent of Great American, was wounded in Okinawa and is now in a navy hospital somewhere in the Pacific.

## SECRETARY-TREASURER

A very progressive Mid-West casualty company is looking for a man capable of taking over the duties of the secretary and treasurer of the company. Must know how to file reports with the States, supervise tabulating department and the general accounting for the company. Salary is open.

### FERGASON PERSONNEL

Insurance Personnel Exclusively  
166 W. Jackson Blvd., Chicago 4, Illinois

## 80th ANNIVERSARY YEAR

### Before the Typewriter Was Invented



Typewriter Patented 1868

It's been eighty years since Millers National Insurance Company was chartered to transact the business of fire insurance. That charter was granted in 1865, three years before a momentous event in the history of business efficiency . . . the patenting of the typewriter by C. L. Sholes and C. Glidden.

### SERVICE

Equipped for effective service, these companies maintain an Inland Marine department geared to the progressive agents' production requirements. Large and small lines are handled with equal facility, and back of each contract is one of our seasoned companies, known in the business for financial sturdiness.

In those pen-and-ink days, the founders of Millers National patterned a policy of sound business judgment and security for the policyholder that still is the basis for all this institution's operations. The successive steps in developing the typewriter to its modern effectiveness were matched through the years by successive steps in the sound, steady growth of Millers National.

Experience gained in eighty changing years — through conflagration and disaster, good times and bad—is background for the stability of Millers National as this institution enters its second eighty years of continuing progressiveness and growth. Illinois Fire Insurance Company, founded 69 years ago, has likewise woven experience, financial stability, and business integrity into a pattern of service to the policyholder.

## MILLERS NATIONAL INSURANCE CO. ILLINOIS FIRE INSURANCE CO.

HOME OFFICE: 137 W. JACKSON BLVD., CHICAGO

SERVICE HEADQUARTERS FOR ALERT AGENTS

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## H. L. Wayne and J. G. Bill Resign from Willcox & Co.; Form Own Organization

NEW YORK—Harold L. Wayne and Joseph G. Bill have resigned as officers and directors of Albert Willcox & Co., Inc., and have organized the Company Service Corporation.

Commenting on their resignation they said: "The entire capital stock of Albert Willcox & Co. has been and is owned by Johnson & Higgins. Our resignations grew out of the fact that the functions of that corporation as a unit could no longer be continued if the corporation were directly or indirectly owned or controlled by a brokerage organization. Our purpose in forming a new company is that as a corporation and as individuals we will continue to serve the needs of underwriters in whatever capacities we can and that the underwriters may entrust to us."

Mr. Wayne entered the insurance business in 1928 with Willcox, Peck & Hughes and following the merger of that company with Johnson & Higgins, Raymond T. Marshall, D. A. Youngs Mr. Wayne and one stenographer undertook the conduct of the cotton reinsurance business formerly conducted by Albert Willcox & Co., a co-partnership, under the corporate title of Albert Willcox & Co., Inc. Mr. Wayne has been responsible for the conduct of the business for Albert Willcox & Co. and for the past seven years, during which the president, Mr. Marshall, has been inactive, Mr. Wayne has been the chief executive. Among his principal achievements were the setting up of the extensive machinery and organization necessary to conducting the work of the American Cargo War Risk Reinsurance Exchange and the clearing organization for the War Shipping Administration. He also served on the company committee which assisted in organizing the War Damage Corporation and has served as a marine member of its advisory committee. Mr. Wayne has been secretary-manager of the Inland Marine Underwriters Association since its inception and has been elected general manager of the new Inland Marine Insurance Bureau.

Mr. Bill joined Albert Willcox & Co. as secretary and director in 1939. He has been the executive secretary of the joint committee on interpretation and complaint, secretary and counsel of the industry committee of eighteen representing fire, marine and casualty divisions of insurance in preparation of a classification plan of fire, marine and casualty insurers. He has just been appointed assistant general manager and counsel of the I.M.I.B. He is a graduate of Fordham and was formerly associated with Richards, Smythe & Conway, and in law practice with Albert Company, judge of the court of appeals. He also served as attorney for the New York superintendent as liquidator of various insurance companies. He later became deputy superintendent of New York, a post he resigned to become general attorney of Continental Casualty.

## W. T. Benallack Is Honored at Detroit Luncheon

DETROIT—W. T. Benallack, who retired June 1 as secretary of Michigan F. & M., was honored at a luncheon by 110 friends in the fire field. The testimonial was sponsored by Michigan Blue Goose. C. B. Herrick, state agent Milwaukee Mechanics, Jackson, most loyal danger, was toastmaster.

Mr. Herrick gave the eulogy, pointing to Mr. Benallack's record of never having missed a meeting of the grand nest and only one annual meeting of Michigan pond, which he helped to found in 1906, being custodian. He joined the grand nest in 1907 and became most loyal grand gander in 1912. Later for many years he was wielder of Michigan pond.

Mr. Benallack was born in Albany,

N. Y., resided for a time in Montreal and went to Detroit in 1885. In 1894 he joined Michigan Inspection Bureau and in 1904 became special agent for Western Factory, 1905 special agent for Michigan F. & M.; 1910 manager Michigan Inspection Bureau, and in 1915 returned to Michigan F. & M. as agency superintendent, becoming secretary in 1931.

Mr. Herrick suggested the grand nest be petitioned to designate him as "Great Grand Gander."

Mr. Benallack in his response announced that he and Mrs. Benallack will

celebrate their golden wedding anniversary June 19.

E. G. O'Brien, past MLG, state agent Pearl group, presented for those assembled a brochure containing tributes. A. A. Knaak, Connecticut, presented Mr. Benallack an ancient Blue Goose emblem.

### Gifts to O'Neill, Metzner

Lt. (jg) Buck O'Neill, home on furlough, and C. H. Metzner, former state agent Phoenix of Connecticut who joins Callender & Co., Peoria, Ill., were presented gifts.

## One-Day Session for Texas Agents in Dallas June 14

In lieu of its annual convention, the Texas Association of Insurance Agents will hold a one-day directors meeting and business session in Dallas June 14. Committee chairman and one representative from each local association will be invited, President Buck B. Greever, Wichita Falls, announces.

New officers will be elected and committee chairmen will be appointed; the bank and agent auto plan will be discussed and urgent business transacted.

## How to cinch a Sale...



When you have a client almost—but not quite—up to the point of buying more property insurance, here's a good way to cinch the sale... by mail.

"You probably don't realize it," you might write, "but replacement prices have risen about 31% since 1940. This means that no matter how fully protected your property was then, it's probably under-insured now. Since this is so, wouldn't you be wise to protect yourself against losses by buying the additional insurance you need—today? Just give me a ring, and I'll attend to it—immediately!"

No doubt about it—a simple, pointed urge to action like this can work wonders. Try it... as a new business stimulant for July. Next month, watch this space for another practical sales promotion idea.

FIRE ASSOCIATION GROUP,  
401 Walnut Street, Philadelphia 6, Pa.  
Branches in Atlanta, Chicago, Dallas,  
New York, San Francisco, Toronto.

### IT'S A CINCH

that many of your best clients and prospects will see this June ad in Fire Association Group's national advertising campaign in U. S. NEWS and NATION'S BUSINESS.

## INSURANCE CALENDAR



On June 9, 1846, St. John's, capital of Newfoundland, was—for the second time in 29 years—completely destroyed by fire. Losses were estimated at \$5,000,000. Since then, of course, the National Board of Fire Underwriters—an organization

sponsored by stock fire insurance companies—has effected great changes in urban construction standards. As a result, we like to think that what happened to St. John's in the long ago cannot, in the normal course of events, happen here today!

1945—JUNE hath 30 days

"Your country is still at war... are you?"

### ASTRONOMICAL CALCULATIONS

EASTERN STANDARD TIME

JUNE	Latitude +30°	Latitude +35°
1	5:00 6:56 4:48 7:08	
6	4:58 6:58 4:46 7:11	
11	4:58 7:00 4:45 7:13	
16	4:58 7:02 4:45 7:15	
21	4:59 7:04 4:46 7:17	
26	5:00 7:05 4:47 7:18	

JUNE	Latitude +40°	Latitude +45°
1	4:34 7:22 4:17 7:39	
6	4:32 7:26 4:15 7:43	
11	4:31 7:28 4:13 7:46	
16	4:30 7:30 4:12 7:48	
21	4:31 7:32 4:13 7:50	
26	4:32 7:33 4:14 7:51	

JUNE	Latitude +30°	Latitude +40°
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5	1:47 2:08 1:49 2:09	
7	3:03 4:21 2:52 4:36	
9	4:31 6:38 4:10 7:02	
11	6:18 8:44 5:50 9:11	
13	8:17 10:25 7:52 10:47	
15	10:14 11:42 9:58 11:58	
17	12:04 12:15 11:37 12:23	
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To obtain local times of sunrise and sunset for longitudes other than the standard time meridians (i.e., 70°, 80°, 90°, 100°, and 120° for Eastern, Central, Mountain, and Pacific Standard Time), decrease the time four minutes for each degree east of the standard meridian, or increase the time four minutes for each degree west of the standard meridian.

- 1—Fr.—1792, Kentucky admitted to Union (15th State).
- 2—Sa.—1885, Victor Hugo, French novelist, buried.
- 3—Su.—Last Quarter, 8:15 A. M., E. S. T.
- 4—M.—1942, death of the ex-Kaiser, Wilhelm II.
- 5—Tu.—1918, Battle of the Aisne ended.
- 6—W.—1944, D-Day
- 7—Th.—632, Mahomet, Prophet of Islam, died.
- 8—Fr.—1869, birth of Frank Lloyd Wright, architect.
- 9—Sa.—New Moon, 11:26 P. M., E. S. T.
- 10—Su.—1944, Yanks were 15 miles from Cherbourg.
- 11—M.—1873, Lumbermen's Insurance Co., 3rd oldest unit in Fire Association Group, founded.
- 12—Tu.—1676, Hadley Mass., attacked by Indians.
- 13—W.—1933, Congress passed NIRA.
- 14—Th.—Flag Day
- 15—Fr.—1215, Magna Charta signed—Runnymede.
- 16—Sa.—Review property insurance twice a year—and you'll never have anything to fear!
- 17—Su.—First Quarter, 9:05 A. M., E. S. T.
- 18—M.—1876, \$15,000,000 loss, Quebec holocaust.
- 19—Tu.—1819, Maine separated from Massachusetts.
- 20—W.—1789, French Revolution began.
- 21—Th.—1943, Detroit race riots—34 killed.
- 22—Fr.—1941, Germany invaded Russia—one of the first and worst of Hitler's great mistakes!
- 23—Sa.—Today, property insurance rates are 40% below 1914 levels... the lowest they have ever been!
- 24—Su.—Midsummer Day
- 25—M.—Full Moon, 10:08 A. M., E. S. T.
- 26—Tu.—1788, Virginia ratified U. S. Constitution.
- 27—W.—1776, San Francisco founded.
- 28—Th.—St. Vitus Day
- 29—Fr.—1852, death of Henry Clay.
- 30—Sa.—end of the Seventh War Loan Drive.

OBSERVATION for June: Unless you've added enough property insurance to offset the approximately 31% increase in construction costs of the last five years, your coverage is probably far from adequate now.

MORAL for June: Find out just where you stand protection-wise—see your Agent or Broker today!

PROPERTY INSURANCE  
Fire—Automobile—Marine

## FIRE ASSOCIATION GROUP

Fire Association of Philadelphia  
The Reliance Insurance Company  
PHILADELPHIA



Lumbermen's Insurance Company  
Philadelphia National Insurance Company  
PENNSYLVANIA

SYMBOL OF SECURITY SINCE 1817



## Aetna Casualty Now Filming Bank-Agent Auto Plan

A motion picture explaining how banks and insurance agents can cooperate profitably in financing purchase of automobiles and insuring them is being produced by the motion picture bureau of Aetna Casualty in cooperation with the National Association of Insurance Agents as a contribution to promotion of the bank-agent auto plan. Upon release, probably early in September, it will be shown at insurance gatherings and to banks throughout the country. It will show how the plan has spread throughout the United States and the success which banks and agents in small and large towns have had with it.

Scenes taken in banks will show the exact procedure which is followed when a prospective car buyer applies for a loan, and how the insurance on cars financed in this way always is placed with a local agent; also advertising and promotional activities of banks in connection with the plan. The film is to be highly informative, with the purpose of enabling agents and banks who at present are unfamiliar with the plan to put it into operation in their communities.

Representatives of the National association who will appear in the film include W. Ray Thomas, Pittsburgh,

president; H. H. Hendren, Sacramento, chairman financed accounts committee, and Wade Fetzter, Jr., Chicago, chairman public relations committee. Scenes made in the Industrial National Bank, Chicago, will show how the bank operates in cooperation with insurance producers. This is one of the first outstandingly successful banks to use the plan, and Frank G. Anger, vice-president, will appear in the film. Former Executive Vice-president Robert B. Umberger, who died recently, collaborated in making the film and was scheduled to appear in it.

### Newhouse & Sayre Promotion

Newhouse & Sayre, New York City, has advanced A. W. Holland to assistant secretary.

Mr. Holland has been with Newhouse & Sayre since his graduation from Columbia University in 1934. Originally in the loss department, he was transferred to underwriting and spent two years in California as head underwriter. Besides his duties as assistant secretary, Mr. Holland is also office manager.

Twenty-five couples attended a dinner bridge party at the home of Mr. and Mrs. N. K. Nelson given by the Blue Goose Auxiliary of Topeka.

## Bank-Agent Auto Finance Plan Is Taken Up in Wis.

MILWAUKEE — Opportunities for local agents to increase premium volume as manufacture and sale of automobiles for civilian uses is resumed were stressed at regional meetings being held this week by Wisconsin Association of Insurance Agents. The first was in Milwaukee Monday for eight southeastern Wisconsin counties; Madison, Tuesday, south central area; Oshkosh, Wednesday, Fox River Valley and northeastern section; Wausau, Thursday, northern counties. The series will conclude Friday at Eau Claire, northwestern or Indian Head counties.

These replace the mid-year meeting in compliance with ODT rulings. Subjects discussed are local banker-local agent automobile financing and insuring, education plans for local agents and employees, local public relations to tie in with the national program, state and local legislation. A panel of speakers is making the circuit, including J. S. Rowland, Racine, president, and Urban Krier, Milwaukee, executive secretary Wisconsin association; Prof. E. A. Gaumnitz, University of Wisconsin insurance instructors, and Wallace Rodgers of the N.A.I.A. public relations staff. Wisconsin Bankers Association provided a speaker and invited members to attend to discuss the banker-agent finance plan.

C. R. Cook, Marshall & Ilsley bank, Milwaukee, spoke at Milwaukee and Madison, and W. G. Aschenbrenner, Racine, association president, at Milwaukee; L. S. Mohlke, West Side Bank, Green Bay, at Oshkosh; Charles Christianson, Marshall & Ilsley bank, at Wausau and Eau Claire. Local chairmen of the agents' association were Vice-president Robert Pittelkow, Milwaukee; F. Lee Conroy, Oshkosh, and John Carney, Dunnigan-Rutherford agency, Eau Claire. Executive committeemen in charge were Henry Bush of Hanks & Bush at Madison, and George Jewson, Marathon Insurance Agency, at Eau Claire.

President Rowland and Secretary Krier told of association activities.

Banks are financial service institutions that have depositors' funds to invest in sound types of investments, and auto sales paper qualifies as a satisfactory type, Banker Cook said in a discussion of "The Local Bank Financing and Local Agent Insuring Plan for Automobiles." Such financing helps local industry and local people.

### Task for Insurance Agents

Insurance men as a group must sell their local banks on the idea of taking direct loans instead of through finance companies, he emphasized. Loans made direct to buyers offer a direct opportunity for the insurance agent to sell a policy. Most banks will be only too willing to work with the agent if he refers his clients to them.

A problem is the public habit of buying "at so much per month," including insurance and all charges as well as installment on the principal. The banker-agent plan must give a better value to the auto buyer than this "package sale."

Bank financing rates are as low as any and the buyer must be convinced the low uniform rates are available and that bankers are interested in local people and their community. Both bankers and agents must see to it they do the things they say they will do for the prospect and give him good value.

Mr. Cook said national insurance companies are doing a good job nationally, and the local banks and agents must follow through similarly in their own localities. The public must be informed not only that these advantages are available but where they can be secured. He recommended personal contact with policyholders and prospects; getting the

jump on competition by going right out and seeing a prospect, or a policyholder who calls to cancel a policy because he is buying a new car.

President Rowland suggested the plan might be expanded to be a bank-dealer-agent plan. He emphasized the great competition coming up will be on new car purchases, financing and insuring.

Giving the agents credit for being largely responsible for the banker-agent auto plan, W. G. Aschenbrenner said the banks are pleased to have the agents ask "for our car." The bankers also have met with automobile dealer groups in general discussions of consumer credits, small and personal loans and similar financing plans. The banking system must cooperate, he said.

President Rowland suggested all local boards meet immediately with their local banker group and work out a financing-insuring plan to fit local conditions and situations.

At the Milwaukee luncheon meeting Chairman Pittelkow presented L. C. Hilgemann, Milwaukee, chairman fire and allied lines committee N.A.I.A. who spoke of closer cooperation with company officials and rating bureau officers so agents can discuss new rules and forms with officials before they are issued and avoid changes and amendments that often result from agents' experience after being put into effect. He spoke of the meeting of the conference committee of agents representing mid-west territory with the Subscribers Actuarial Committee in Chicago this week to discuss changes and trends in fire insurance.

### Tells Educational Plans

Plans of University of Wisconsin to aid insurance agents, employees and returning GI's along educational lines were discussed by Prof. Erwin Gaumnitz of the university, who is in charge of the insurance courses. Competition makes it necessary for agents to keep informed and abreast of selling methods, changes and additions to the insurance business and have a wide background of information. National State Director Miller spoke briefly. Wallace Rodgers told of the N.A.I.A. public relations program.

The agents' qualification bill was discussed by President Rowland. He urged having a bill and program set up in time for the next legislative session in two years. The present agent licensing law was held to lack the requirement of qualifications which will maintain and improve the standard of agents and properly protect the insuring public.

# Policies Corrected Without Erasing

To insure perfect policies or letters, even though erasures or corrections are necessary, use the smudge-proof

## Del-e-tape\* Eradicable Typewriter Ribbons

Insurance Companies and their Agents throughout the country have been using these ribbons and eradicators for years and have found them economical and indispensable. Try a trial order at our risk today using coupon below.

\*Trade Mark.

## "All-in-One" Cancellation Chart

An up-to-date Chart showing elapsed time, prorata decimals, short rate percentages for all states, earned and returned premium on fire and casualty policies for one, three and five years. Limited supply, order now.

### MAIL THIS COUPON TODAY

AETNA PRODUCTS CO.  
202 East 44th Street,  
New York 17, New York.

Enter our TRIAL ORDER which we may use for thirty days; if we are not more than satisfied, we may return to you without obligation.

- \_\_\_\_\_ Del-e-tape ribbons @ \$1.25 each
- \_\_\_\_\_ Dozen Del-e-tape ribbons @ \$12.00
- \_\_\_\_\_ Del-e-tape Eradicators for the above @ 50 cents each
- \_\_\_\_\_ "All-in-One" Cancellation Charts @ 3 for \$1.00

Make of typewriter \_\_\_\_\_ Color \_\_\_\_\_  
(black, black & red, blue)

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FLORIDA FIRE AND CASUALTY  
SPECIAL AGENT

In reply, state age and past experience.

AMERICAN INDEMNITY COMPANY  
Galveston, Texas

WANTED

Two or three experienced insurance adjusters for an independent adjustment organization handling all forms of insurance claims located in the southwest. Please set forth qualifications, references and salary expected. Address B-83, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

June 7, 1945  
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## Local Banker Is Key to Buying Established Agency with G. I. Loan

Questions have been raised regarding the use of G. I. loans to enter the insurance business. It is difficult to give an exact answer to such questions because the local banker or lending agency must pass on the loan before it is sent to the Veterans Administration for approval. In the last analysis, the government guarantee appears to mean little, as the banker making the loan must necessarily make the loan on the same basis as he would extend credit to anyone, as he stands to lose his 50% of the loan.

G. I. loans cannot be used for operating capital, although it would be possible to secure a loan to buy office equipment, which is a minor item. It appears that a G. I. could make a loan to get funds to buy into an established agency if he can demonstrate to the banker that he is qualified, knows the business and is making a good deal.

## OPA Will Make 4% Used Car Price Cut July 1

The OPA has indicated that it is going ahead with the 4% reduction in ceiling prices for used cars July 1. This is the semi-annual reduction that was to have gone into effect Dec. 10, 1944, according to the order issued June 10, 1944. However, the reduction was held up at that time and early this year some ceilings were raised, notably on Chevrolets, which had been priced out of line with Plymouths and Fords even though in the market they usually bring a slightly higher price.

As far as it goes the reduction, which applies both to "as is" and "warranted" prices, will be a help in adjusting automobile losses. Most adjustments have been running somewhere between the "as is" and the warranted price, according to the car's condition. In some cases settlements have been made at less than the "as is" figure where the car was in abnormally bad condition. The warranted price is 25% or \$100, whichever is greater, above the as is price.

The OPA was scheduled to scale down the ceiling prices of commercial cars last January but to date has taken no action.

## Southwest General Chartered

Southwest General, with home office in San Antonio, has been chartered in Texas to write all lines of insurance except life. It has \$200,000 cash capital and \$50,000 cash surplus. D. Gordon Rupe, Jr., of Dallas, is president.

## Name Reconversion Chairmen

WASHINGTON—The war production board committee on period 1 (the time between V-E Day and V-J Day) headed by John D. Small, WPB chief of staff, announces appointment of reconversion chairmen for about 400 industries.

A. M. Orme is designated reconversion officer for the safety and technical division, under which come the following industry reconversion chairmen among others:

Arthur L. Thorton, for motorized and auxiliary fire apparatus, automatic sprinkler systems, fire extinguisher systems, portable fire extinguishers; fire hose, hose driers, racks, reels and related products.

Milton Hammer, for the industrial equipment industry.

Howard P. McKibben, for protective alarm and signal system industry.

Paul W. Van Ormer, portable and piped carbon dioxide fire extinguisher industry.

M. F. Spillers, safety and technical equipment division repair parts.

John F. Flynn, for safety and technical equipment division, miscellaneous.

The appointment of industry reconversion chairmen is in line with WPB intention to facilitate change over from

military to civilian production whenever it can be done without detriment.

## Protective Equipment Order

WASHINGTON—WPB has revoked its limitation order L-39, issued February, 1942, to control production and distribution of fire protective, signal and alarm equipment. However, WPB states, "other controls affecting the use and acquisition of materials for production of this equipment continue in effect."

L-39 covered such types of fire protective equipment as sprinkler systems,


fire hose, hydrants and pumps, hose dryers and racks, fire extinguishers, stirrup pumps, etc.; also all types of signal and alarm equipment; fire, police and burglar alarm systems; boundary protection systems, paging and call systems, and similar systems.

## Campbell to Pacific Coast

A. F. Campbell, brokerage manager of Zimmerman-Hunken agency of Connecticut Mutual Life, Chicago, has resigned. He is moving to California and plans to enter general insurance production in the

coast territory. He started with the western department of Queen in 1913. Later he was with Marsh & McLennan, with Millers National in the Cook county field, and then with the Budinger agency of Franklin Life doing brokerage work. He will be located at 1201 Emery street, Elmonte, Cal.

George E. Wyatt, Jr., son of the special agent of Hartford Fire in Oklahoma with headquarters at Oklahoma City, was a member of the graduating class this spring at the U.S. Military Academy at West Point.



**BROADWAY FOOD MARKET**  
1725-B BROADWAY  
HOUSTON, TEXAS

December 18, 1944

American District Telegraph Co.,  
344 First National Bank Bldg.,  
Houston, Texas

Re: Letter December 12th

Dear Sirs:

On December 12th, at 2:03 P.M. during business hours at which time I was working in the front of the store, your operator called me to inform me that there was a fire somewhere in the building, and that they had already notified the fire department.

I searched the store for the fire and finally located it in the ladies' rest room - by that time the fire department was here, a matter of a few minutes only. The fire was not even in a blaze as the alarm went off immediately at the start of the fire, and no serious damage was done to building or stock. We continued doing business right along as if nothing had happened.

I have the warmest praise for the handling of these fire alarms, since we just went through a fire in February of this year, at which time we were closed up and did not know of the existing fire until six hours later. Had we had the Aero fire alarm this would not have occurred.

Again let me say it is wonderful and gives one a feeling of security and rest. Thanks a lot.

Very truly yours,  
BROADWAY FOOD MARKET  
BY *M. J. [Signature]*

MX:EMC

Exterior and interior views of Houston's modern Broadway Food Market—protected by the A.D.T. Aero Automatic Fire Alarm.

**EVERY Minute COUNTS**

**...WHEN FIRE STRIKES!**

The letter reproduced above provides convincing evidence of the speed of the AERO AUTOMATIC FIRE ALARM in detecting fire and summoning fire-fighting assistance when it is most needed...in this instance

before the fire was discovered by those on the premises.

Write for descriptive booklets which explain in detail how this remarkable system eliminates the hazard of belated discovery and delayed alarms.

## AERO AUTOMATIC FIRE ALARM

Controlled Companies of AMERICAN DISTRICT TELEGRAPH CO. 155 Sixth Avenue, New York  
CENTRAL STATION OFFICES IN ALL PRINCIPAL CITIES OF THE UNITED STATES



*Electric Protection Services*  
**AGAINST FIRE · BURGLARY · HOLDUP**  
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# Diemand Reports Progress in Multiple Line Writing

## Dineen Indicates New York May Drop Old Prohibitions

ST. PAUL—John A. Diemand, president of North America, again got an enthusiastic word of praise from the N.A.I.C. committee on multiple lines underwriting when he gave his report as chairman of the industry committee to the commissioners group here Tuesday afternoon.

Mr. Diemand reported that so far this year New Jersey and North Carolina have enacted all-out multiple underwriting laws. Massachusetts enacted the five recommendations of the Diemand committee and Pennsylvania passed legislation permitting both fire and casualty insurers to issue the personal property floater, permitting insurers to do an omnibus business in foreign lands and permitting multiple line reinsurance anywhere.

As a result of inquiries broached by Dineen of New York, it was decided

to instruct the Diemand committee to go into the subject of what requirements if any should be enacted governing the relationship of premium volume transacted and surplus of policyholders.

Mr. Dineen asked whether Mr. Diemand detected that opposition to the multiple line program had disappeared. Mr. Diemand replied that no opposition developed in Massachusetts and the only opposition in Pennsylvania was from a group of mutual fire companies.

Gough of New Jersey remarked that it was his theory that if a state prevented an insurer from exercising its full corporate powers it might be found guilty of interfering with interstate commerce.

"Are you advising Mr. Dineen to revise the Appleton rule?" Harrington of Massachusetts inquired.

"I most assuredly am," Gough replied. "I was against the Appleton rule from the start."

"I'll bet even you inherited a mother-in-law," Mr. Dineen remarked.

Under the Appleton rule an insurer

operating in New York is not permitted to transact in any other state a type of business it is not permitted to do in New York.

Chase Smith, vice-president Lumbermen's Mutual Casualty, said his organization is not opposed to the Diemand program, but he said he recognized that there is opposition to it on the sound ground that an overnight change would create very serious competitive situations. He advocated that immediately there be enacted laws giving multiple powers abroad and giving multiple reinsurance privileges because now there is a great need in America for insurance capacity. Also, a company taking a new line by reinsurance is following the judgment of experienced underwriters and can gradually acquire experience that will enable it to get into the field directly in the future with more wisdom.

H. E. Hilton, U. S. Chamber of Commerce, said the insurance committee of that organization in 1942 supported the idea of multiple powers abroad.

## Erickson Trial Gets Into Details of Kickbacks

BISMARCK, N. D.—Otto R. Vold, former manager of the North Dakota hail insurance fund, continued his testimony before the state senate here in the impeachment trial of Oscar Erickson, suspended insurance commissioner.

Vold said that he, Erickson and L. M. Peet, Des Moines, entered into an agreement in 1937 whereby the commissions on reinsurance would be used to buy stock in Farmers Union Life of Des Moines for the mutual benefit of the three men. He said the first negotiation with Peet were at Excelsior Springs, Mo., where Vold and Erickson were taking water treatments, and were later continued at Des Moines and Bismarck. Peet told Vold and Erickson that if he, Peet, could get enough reinsurance business from the North Dakota insurance department he would use the commissions to buy stock and gain control of Farmers Union Life, Vold testified. Erickson was to be president and Vold secretary of the company.

The articles in the impeachment filed by the house of representatives, allege that Peet purchased \$34,210 worth of stock with commission from the reinsurance business as the result of the plan devised by the three men.

### Money for Cafe

Vold testified that he assisted Erickson in negotiating an agreement in 1941 with the late H. T. Murphy, Bismarck agent, under which Erickson was to receive \$8,500 in kickbacks from commissions on reinsurance business placed with Murphy. Of this amount \$1,000 was used by Erickson to purchase part of Vold's interest in the Bismarck cafe. The cafe was purchased and improved with \$5,800 which Vold and Erickson received in kickbacks from Murphy, Vold testified.

### Identified Records

Arthur Gehring, insurance department employe, was on the stand to identify records of the cafe which Vold and Erickson purchased in 1940. C. H. Christensen of Fargo, state agent of Great American, was placed on the stand in an effort of the prosecution to introduce as an exhibit a hail insurance rate card used by Great American, but a defense objection to the exhibit was sustained. The prosecution sought to show that Erickson's purchase of \$200,000 of reinsurance from London Lloyds at a cost of \$124,992 was exorbitant in view of the rate charged by companies represented by Christensen. The objection was sustained on the basis that Erickson purchased reinsurance and not direct hail insurance.

A. C. Brunsvold, Fargo, state agent of St. Paul Fire & Marine and Mercury, and F. R. Horeish, St. Paul, auditor of the companies, were on the stand. Mr.

Brunsvold identified vouchers for reinsurance policies written in July, 1941, on which the alleged kickback was paid.

Horeish identified records of premium payments to the company and commission payments to Murphy and to W. R. Koch, formerly associated with Murphy, now operating the Murphy agency. Messrs. Brunsvold and Horeish testified to the cancellation of the policies originally written by Murphy and the replacing of those policies unchanged by Koch. The prosecution contends that the cancellation and replacing of the policies was done to clear commission payments due Murphy off the records and to get them back on the records of Koch after Murphy's death.

There was other testimony to the effect that kickbacks on reinsurance were used by Erickson to purchase a house in Bismarck.

There was introduced a deposition of Mrs. Frances Koch, bookkeeper for the Murphy agency, to the effect that two checks totalling \$2,500 had been issued in her name but turned back to Murphy in June, 1940.

### Mrs. Koch's Testimony

Mrs. Koch testified that after the checks had been issued to her she endorsed them and gave them back to Murphy. She said she received no money from either check, one for \$1,750 and one for \$750 and that she did not know the reason for the transaction. The check transaction was made at Murphy's request, she testified. The checks were charged against her account and the account later cleared by an entry credited to her account. She also testified that four checks totalling \$4,500 were issued to Murphy between July 3, 1941 and Aug. 1, 1941 and charged against Murphy's personal account in the records of the Murphy agency.

Vold testified that Arthur Gehring, insurance department employe, bought his, Vold's interest in the Bismarck cafe, for something over \$600.

Vold testified that he and Erickson worked out a deal whereby reinsurance purchased for the state hail fund were secured through the Murphy agency, and kickbacks ranged all the way from \$1,000 to \$32,000.

In detailing the transaction with London Lloyds, the chief attorney for the state, Harold Shaft of Grand Forks, admitted that the state actually collected \$200,000 on the policy due to exceptionally heavy hail losses in the state. This was, however, just luck, he said.

Harry B. House, marine superintendent of the Aetna Fire group, New York City, celebrated his 30th anniversary with the companies. He started as a clerk in the marine department, was promoted to marine examiner, marine agency supervisor and in 1944 superintendent.

The Insurance Women of Milwaukee installed their new officers at a dinner meeting June 4. They are: Hilda Rogers, Royal Indemnity, president; Eleanor Massman, vice-president; Evelyn Berninger, recording secretary; Loretta Koch, corresponding secretary; Christine Sachs, treasurer.

Protective Indemnity has been licensed in Virginia.

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**OILY WASTE CANS**

The safety container for oily waste, rags and other flammable material.



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For storing and handling explosive or flammable liquids with safety.



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... neither does the agent who, through the experienced advice and friendly help of a "St. Paul" Field Man, writes an important policy and makes important money



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## Utah Home Fire Insurance Company

HOME OFFICE  
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A. B. Knowles & Company, Inc.	Colman Bldg., Seattle, Washington
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A. B. Knowles & Company, Inc.	175 Jackson Blvd., Chicago, Illinois
Cobb & Stebbins	Gas & Electric Bldg., Denver, Colorado
Heber J. Grant & Company	20½ South Main, Salt Lake City, Utah
Lamping & Company	Colman Bldg., Seattle, Washington
Lamping & Company	Spalding Bldg., Portland, Oregon
Southwestern General Agency	Title & Trust Bldg., Phoenix, Arizona



## N.A.I.C. Back on Pre-S.E.U.A. Basis

(CONTINUED FROM PAGE 3)

arranged to exchange information and hold a meeting some time between July 15 and Aug. 1.

In the absence of the necessity of doing anything immediate about the overshadowing insurance issue, the commissioners settled back to take up a variety of questions of a more pedestrian nature. It was an extremely busy week, with the days crowded with committee sessions, but it was a good deal more like the good old pre-S. E. U. A. days. There were perhaps no headline accomplishments but a great deal of solid work was done. The finishing touches were put on a number of projects and numerous studies launched or progress made on them.

McCormick of Tennessee, the new president, was stricken with illness Monday evening and was confined to his room under doctor's care the next day.

Mr. McCormack was taken to St. Joseph hospital, St. Paul, Tuesday and was still confined there Wednesday. Another commissioner on the sick list was Roy Rummage of Arizona.

It had been assumed that E. L. Scheufler of Missouri, who is chairman of the executive committee, would bow out of the picture, since his term as commissioner is up June 30 and he is a Republican, while the governor is a Democrat, but he was advanced to the vice-presidency anyway. There seems to be an outside chance that he will not leave office immediately at June 30. Assuming that Mr. Scheufler would go up to vice-president, sentiment was for electing Seth Thompson of Oregon as chairman of the executive committee.

The Minnesotans were superlative hosts, not only in the way of providing entertainment and recreation at times when it would not interfere with business but in furnishing facilities that made the convention run smoothly in its mechanical details. Harold J. Cummings, vice-president of Minnesota Mutual Life, was the general chairman, and to name the others that endeared St. Paul and Minnesota to the conventioners from all over the country would be impossible, due to the paper shortage.

Saturday and Sunday evenings there were informal dinners at clubs at St. Paul. Monday evening was masculine with a capital M, the group being transported to the rathskellar of the Jacob Schmidt brewery, where the feature was the appearance of three old-time exponents of la boxe—Tommy Gibbons, Mike Gibbons and Mike O'Dowd, who reminisced in salty fashion of days in the ring with the prompting of George Barton, Minneapolis sports writer and an old hand in the ring himself. Also there were Mayor McDonough of St. Paul and his secretary, Frank Madden, a dead-pan artist who entertained the group with an insulting speech of welcome. An unannounced feature was the singing of "Allouette" led by Georges La France, the Quebec commissioner, who despite the fact that illness has reduced his weight by 50 pounds still possesses his former fire in handling that song.

The executive committee held its first session Saturday afternoon with 11 members, a number of other commissioners and industry representatives on hand.

Scheufler of Missouri, the chairman, announced that Oscar Erickson of North Dakota, who is on trial on an impeachment, had resigned as a member of the executive committee and the resignation was unanimously accepted.

After considerable discussion it was voted to bring the convention to a close Wednesday evening rather than having a final session Thursday morning. The ODT had given approval for the convention only for the dates June 4-6 and it was agreed that this group of law administrators should set an example, and comply to the letter with the regulations even though it might involve compressing the proceedings.

Referred to the laws and legislation

committee to report later in the week was an offer of cooperation to promote the passage of insurance legislation by the National Conference of Commissioners on Uniform State Laws.

Tabled was a request of A. V. Gruhn, manager American Mutual Alliance, for an expression of opinion on the new proposed insurance arrangement of Smaller War Plants Corp.

Harrington of Massachusetts reported as chairman of the subcommittee on rates and rating organizations reviewing the recent meetings at St. Louis and New York.

### First Full Session Monday

At the opening full session Monday morning the invocation was spoken by Capt. C. M. Rasmussen, chaplain at Fort Snelling. Commissioner Holmes of Montana as usual was designated as sergeant at arms without shillelagh. State Senator Charles Orr of St. Paul, counsel for the Insurance Federation of Minnesota, delighted the crowd in his welcoming address, substituting for Governor Thye. He is a change of pace artist, dropping in the same breath from high flown old fashioned oratory to sly witticism. Especially appreciated by the

life insurance element was his statement that he proposed to give a snappy talk on the Guertin legislation. His reference to the U. S. Supreme Court as the court of final conjecture got a laugh. He remarked that N.A.I.C. had met in Minnesota seven times and six Minnesotans have been N.A.I.C. presidents.

McCormack of Tennessee, as vice-president, gave the response. Read of Oklahoma, as secretary, called the roll, developing that 45 states and Ontario, Quebec and Manitoba were present, most of the commissioners being accompanied by staff assistants. Eight New York department men were on hand.

New commissioners were introduced, they being McKenzie, Arkansas; Pearson, Indiana; Wilson, Kentucky; Carey, New Jersey; Dressel, Ohio; Butler, Texas. Frazier of Nebraska also introduced Stanley Matzke, who takes office as Mr. Fraizer's successor June 15.

Johnson delivered his presidential address consisting principally of a day-by-day and blow-by-blow account of the exciting times at Washington prior to the enactment of public law 15, an analysis of that law and its implications. He closed with the recommendation that there be created a subcommittee of the executive committee on uniform state legislation and that a central headquarters office of the N.A.I.C. be set up.

The committee on resolutions was

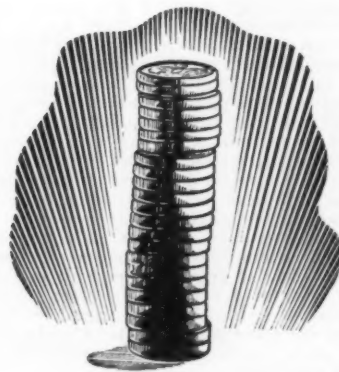
named consisting of Bowles, Virginia; Fischer, Iowa, and Gibbs, Texas, and an auditing committee comprised of Dineen, New York; White, Mississippi, and Walter Robinson, Ohio deputy.

Harold J. Cummings, vice-president Minnesota Mutual Life and general chairman of the local committee, announced the events of the week and the facilities that had been made available. Mr. Cummings presented to Mr. Johnson in behalf of the Minnesota companies an incriminated gavel and another gavel to be presented to the new N.A.I.C. president.

Scheufler of Missouri reported briefly as chairman of the executive committee.

### Debate on Casualty Reports

At a meeting of the full association Tuesday afternoon for acting on reports, final action was taken on the casualty experience exhibit which was approved at the December meeting but with instructions to the blanks committee and the workmen's compensation committee jointly to alter the form in certain respects. There was some sharp debate on this report and Harrington of Massachusetts registered his vote in opposition. The companies will be required to complete these blanks in those states that call for it by May 15, 1946. It was provided that for future years the deadline be redetermined with the possibility that



## What you can get for 66c!

The average cost of \$100 of fire insurance in the United States today is estimated at approximately 66 cents. Thirty years ago the average cost was approximately \$1.16—a decline of more than 40%! While the cost of other commodities steadily increased, the

cost of insurance has radically declined. For 66 cents you get sound protection, local agency service, loss prevention activity, safety research. . . . Do the people of your community know how much they can get for sixty-six cents? If you don't tell them about it, who will?



*Inspections save war supplies. Research promotes safety. Agents sell security. That's how insurance works!*

## Ohio Farmers

INSURANCE COMPANY • LEROY, O.

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MEMBER • THE NATIONAL BOARD OF FIRE UNDERWRITERS



THE INSURANCE AGENT IS A GOOD MAN TO KNOW

April 1 might be established. In the main the exhibit follows that which has been required for many years by the New York department as a supplement to the annual statement, plus a special showing pertaining to retrospective rating and guaranteed discount plans in workmen's compensation.

#### Diversity of Views

Hodges of North Carolina presented the report as chairman of the compensation committee. Harrington expressed opposition, stating that the expense showing derived from the exhibit is of no use in rate making. He contended there should be a special call for expense

information on forms designed after lengthy research.

Gibbs of Texas, who had done much work on the report, declared that the program had been approved last December and that all that was to be voted on at St. Paul was the slight amendment. Forbes of Michigan endorsed Mr. Gibbs' position and said the information from the exhibit will be extremely helpful to him in acting on rates.

Harrington declared that the companies are given too many options in method of arriving at figures.

Dineen of New York said he would vote for the report, but he agreed with Harrington that there are too many options. He asserted that unless there are uniform accounting methods the consolidated results will be faulty.

Gough of New Jersey said the figures will be meaningless and he doesn't propose to require the companies to furnish it.

A telegram of greetings was received from Commissioner Noa of Puerto Rico.

The report of the valuations committee submitted by Dineen of New York was adopted.

Parker of Georgia, as chairman of the unauthorized committee, said he had nothing to report, whereupon Dineen remarked that last year his department received 544 complaints of unauthorized insurance.

Tuesday evening the group was entertained at cocktails and at dinner at the St. Paul auditorium followed by an ice show.

Wednesday evening the crowd was transported across the river by special street cars to Minneapolis for cocktail hour, dinner and floor show.

In his report of the committee on laws and legislation, C. C. Fraizer, outgoing Nebraska commissioner, said that a high degree of uniformity has been achieved among the various states, but there is still much to be done and unfortunately the attitudes of departments have changed too often with their personnel. He also pointed out that his committee often relinquishes jurisdiction of a subject when it appears important enough to warrant a special committee. Multiple line writing was an example of this. On the other hand, the laws committee received the subject of non-profit medical associations from another committee after it got to the point where recommendations for uniform legislation were needed.

The uniform law on unauthorized insurance has been adopted in a number of states, but the uniform liquidation law has not been so successful, although, in Mr. Fraizer's opinion, many states would strengthen their liquidation statutes. Retaliatory and countersignature laws have been studied by the committee during the past five years.

(CONTINUED ON PAGE 31)

## U. S. Chamber Urges Insurance Abroad

WASHINGTON—Included in the proposed declarations of policy of the U. S. Chamber of Commerce is a recommendation that American insurance companies be permitted to operate abroad and that foreign and domestic obstacles be removed. The declaration urges the federal government to consider this in negotiating reciprocal trade treaties and the states to amend their legislation to permit this.

T. Leaming Smith, Philadelphia, vice-president North America, is listed as member of the policy committee, acting in place of President J. A. Diemand of that company. Mr. Diemand is chairman of the insurance industry committee cooperating with the National Association of Insurance Commissioners on this subject and his report was enthusiastically received at the St. Paul meeting of that association this week.

Another policy proposal asks for correcting burdens on savings and life insurance. The proposals are being submitted organization members for vote.

## Insurer Groups to Make Joint Study of Federal Acts

ST. PAUL—Representatives of 11 insurance organizations at a meeting here Tuesday afternoon set in motion the studies of the relationship of the federal trade commission, Robinson-Patman and Clayton acts to the insurance business, in compliance with the agreement reached with the federal legislation committee of the commissioners at the meeting at New York May 11-14. It was decided that by July 15 each of the organizations represented would place in the hands of the others any material that it may possess on these subjects and that between July 15 and Aug. 1 a meeting of the combined groups be held.

A. V. Gruhn, American Mutual Alliance, acted as temporary chairman. The organizations represented were National Board of Fire Underwriters, American Mutual Alliance, American Life Convention, Life Insurance Association, Association of Casualty & Surety Executives, Health & Accident Underwriters Conference, National Association of Mutual Casualty Companies, National Fraternal Congress, National Association of Insurance Brokers and the new association of independent casualty companies that so far has not been christened.

## Commissioners Lean to Indivisibility Principle

ST. PAUL—Without actually endorsing the principle of indivisibility in the reinstatement of fire and extended coverage following a loss, the fire and marine committee of the N.A.I.C. expressed the opinion that the application of this principle is less costly to the public than is the principle of divisibility. The extended coverage endorsement is written at a rate much lower than the total of the cost of individual policies protecting against the several hazards named in the endorsement, the committee stated.

In a few states, a fire insurance contract with extended coverage endorsement is regarded as a divisible contract. As a result, the reinstatement premium where a loss has occurred, is computed from the separate coverage charge for the protection against the hazard involved in the loss.

In most states, the contract is stated to be an indivisible one, and the reinstatement charge is pro rata of the total cost for both the fire and the extended coverage protection. This because of the fact that the assured does not have a number of individual policies covering the several hazards involved each in the amount shown on the face of the policy. Rather, he has but one contract, involving one total premium.

Due to the fact that losses are now automatically reinstated in many of the states up to \$250 on dwellings and \$100 on other forms, the question of figuring the reinstatement premium is becoming of less and less importance. Furthermore, if it is decided to consider the contract as divisible, there is great danger that the rates would be materially increased at a much greater cost to the insuring public.

## Banks Virginia State Agent of Great American

Great American has appointed Frank L. Banks state agent in Virginia to replace George G. Phillips, who will resign as of June 30 to become associated with the Dobie, Bell & Henderson agency at Norfolk. He is the son of President A. R. Phillips of Great American. Mr. Banks is attached to the New York office but has been covering eastern Maryland during the absence of the regular field men who are in military service. Francis H. Urner, special agent

for western Maryland, will take over the territory formerly covered by Mr. Banks.

## Griffin Wis. State Agent of Connecticut Fire

DES MOINES—Maurice P. Griffin, Iowa special agent for Connecticut Fire, has been transferred to Milwaukee as Wisconsin state agent.

He has been in insurance for about 20 years, most of the time with Connecticut Fire. He started as file clerk at the home office, becoming a fire examiner, then transferred to the marine department as examiner. Mr. Griffin was sent to Des Moines as special agent about seven years ago.

## High Wind in Cook County

The high wind in Chicago and Cook county, particularly the southern end of the city and its suburbs, on June 3 produced several hundred losses. The average will be small, possibly not as much as \$50.

## Jansen on Conn. Program

William H. Wiley, Hartford, president of the Connecticut Association of Insurance Agents, announces that Wilson C. Jansen, vice-president of Hartford Accident, has been added to the speakers list for the state meeting at Stratford June 12. Other speakers are W. Ray Thomas, N.A.I.A. president, Commissioner Allyn of Connecticut.

## All Get Fla. Tax Credit

The new Florida house tax bill, which credits the pro-rata amount of Florida premiums against over-all premiums written by the company, makes the credit applicable to all companies doing business in Florida. It had been reported as applying only to domestic companies.

## Kentucky Distillery Fire

Fire at Bardstown, Ky., destroyed the production department, including still house, fermenter room, etc., of the Barton Distillery Co. Warehouses, bottling houses and office building escaped. Loss was estimated at \$200,000. It will require months to rebuild, even if materials, machinery and equipment can be had. However, copper work is very difficult to obtain.

London Lloyds has resumed publication of its "Shipping Intelligence" which was suspended for security reasons during the war. The May 29 issue was the first published in six years.

## BUILDING COSTS

HAVE INCREASED APPROXIMATELY

**7% 15% 34%**  
IN 1 YEAR IN 3 YEARS IN 5 YEARS

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## Mrs. Wilson to Run Agency While Husband Is in Office



Harry B. Wilson

While Harry B. Wilson, newly appointed to the office, is serving as Kentucky insurance commissioner, Mrs. Wilson will operate his agency at Irvine. She is well qualified to carry on, as she managed the agency when Mr. Wilson served in the former war and right along she has been acting as stenographer and bookkeeper in the office. Irvine is just 70 miles from Frankfort and Mr. Wilson expects to return to his home over the weekends.

Mr. Wilson is a former president of the Kentucky Association of Insurance Agents and has been attending the annual meetings of the National Association of Insurance Agents regularly for 20 years or more. He was at St. Paul this week for the N.A.I.C. convention and made a lot of new friends. He was at one time a judge and possesses a judicial temperament.

## Midwest Conference Holds Parley in Chicago

The Midwest Conference of agents held a meeting in Chicago Wednesday to take up with company representatives a number of questions dealing with use and occupancy, extended coverage, and other matters. George W. Carter of Detroit, conference chairman, was unable to attend because he was in Washington attending an affair for Lt. Gen. William Knudson. David Martinette of the Carter office presided.

Among the company men on hand were E. A. Henne, America Fore; C. H. Smith, Hartford Fire; W. N. Achenbach, Aetna Fire; H. A. Clark, Firemen's; J. C. Harding, Springfield F. & M., and R. D. Hobbs, Western Actuarial Bureau, all of Chicago, and F. W. Koeckert, Commercial Union, and Ivan Escott, Home, both of New York.

## Typing Corrections Made Quickly, Without Damage

NEW YORK—As a means of saving time and assuring neat and speedy typing corrections without damage to policies or letters, Del-e-tape ribbons and eradicators are finding ever-widening acceptance among insurance offices. These ribbons have been used by many leading insurance companies for years and are considered standard equipment in their policy-writing departments.

The ribbons are permanent in type, non-smudging and for minor corrections can be erased with an ordinary eraser without marring or scuffing the paper. In addition, where even the slightest erasure is undesirable, the typist may apply the Del-e-tape eradicator and bleach the typewritten word right off the page. This assures a clean and neat typing job, which is particularly essential on policies, and should corrections again be necessary in the same spot they may be accomplished without making a hole in the paper.

These ribbons and eradicators are available from Aetna Products Co., 202 East 44th Street, New York, 17, N. Y. The company specializes in meeting the stationery needs of the insurance business and has as one of its specialties an "all-in-one" cancellation chart which lends itself to the easy and accurate computing of elapsed time and the return premium, either short rate or pro-rata.

## N. Y. Field Club Elects

NEW YORK—The suburban New York Field Club installed the following officers at the annual meeting this week: President, Henry K. Sullivan, America

## Several Zones Hold Sessions During N.A.I.C. Convention

ST. PAUL—Several zones held meetings here during meeting of the National Association of Insurance Commissioners. Zone 5 elected Larson of Florida, in absentia, as representative on the N. A. I. C. executive committee and Addie Lee Farish of Alabama as zone chairman. Zone 6 named Kavanaugh of Colorado to the executive committee and Butler of Texas chairman of the zone. In zone 1 Allyn of Connecticut was designated as representative on the executive committee and Gough of New Jersey zone chairman. Forbes of Michigan was elected chairman of Zone 4 and its representative on the executive committees.

## Hazardous Risks Question in New York Issue

NEW YORK—The New York department's hearing, scheduled for June 19, to determine whether a minimum premium should be considered to be a rate has raised a question over possible implications of its being held to be a rate and hence limiting insurers to charging no more than manual premiums even though a risk may be unusually hazardous. It is feared that if an insurer is not to be allowed to set a minimum premium as high as it thinks is necessary to reflect the extra hazard there will be no coverage for these risks in New York and the business will go elsewhere, probably to London.

### Why Hearing Was Called

The hearing was called because some of the companies that deviate from standard rates on automobile business did not want to apply the deviation percentage to the \$5 minimum comprehensive premium and questioned the department's view that the \$5 minimum premium is a rate. The law provides that deviations shall be a uniform percentage of the standard rate. The effect of a ruling by the department that the minimum premium is a rate that must be followed would make a great difference in what companies could charge an extra-hazardous risk. Sometimes the premium charged on a judgment basis is several times as high as that called for in the manual.

## Pa. Financial Responsibility Law Effective in 1947

Although a financial responsibility law of the New York type was enacted by the Pennsylvania legislature and signed by the governor, it does not become effective until July 1, 1947. The legislature did not vote an appropriation for the department of revenue which will administer the act, but it is contemplated that such an appropriation shall be made by the 1947 legislature. During the next two years it is proposed to inform the public about the law so that it will go into effect smoothly.

## Loses Appeal on U. S. Claim

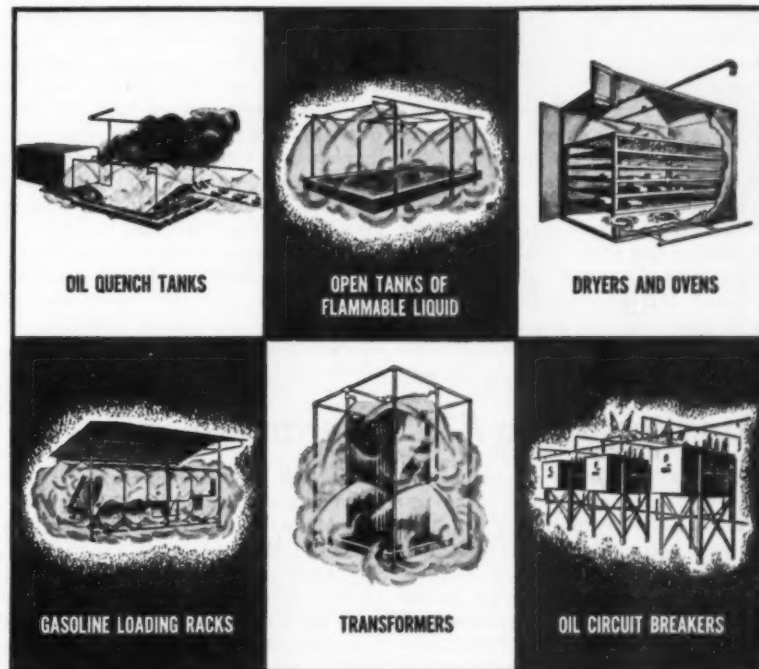
WASHINGTON — The Supreme Court has denied petition for writ of certiorari in Standard Accident vs. United States.

This was an appeal from a judgment of the court of claims. The case involves the construction of a Veteran's Administration hospital in Leavenworth, Kan., in the early 1930s.

The issues involved were whether the United States is liable for delay to one contractor caused by another contractor on a government project divided among several independent contractors by separate standard form construction contracts, and also whether under a standard form of construction contract, a contractor may recover compensation in addition to the contract consideration.

Fore; vice-president, D. Edwin Misner, North America; secretary, Charles J. Penna, London Assurance; treasurer, George C. Wood, America Fore.

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## EDITORIAL COMMENT

### Heads Up, Insurance People, Heads Up!

At times insurance men ask themselves whether their great industry has not bogged down because of the South-eastern Underwriters Association litigation, the attacks by Attorney General Biddle, the U.S. Supreme Court decision to the effect that insurance is commerce and therefore becomes amenable to federal anti-trust laws and the tendency to smear the business largely for political purposes. It is found that some insurance men feel that they must build up an excuse or defense for themselves. Because of the wide spread publicity some insurance men imagine that premium payers have become prejudiced against insurance.

It is heartening and refreshing to get the viewpoints of some of the heads of the larger insurance enterprises. At the luncheon given this week by Marsh & McLennan at Chicago to bring its new president, L. S. Kennedy of New York City, in contact with Chicago insurance men C. W. Seabury, chairman of the firm, and Mr. Kennedy both spoke of the high position that insurance holds today. These two men are not only in close contact with the insurance field but they

perhaps are more intimate in their relationships with the men who are guiding great business and commercial enterprises of various kinds. Both speakers said that those outside of the business who have studied the situation are confident that insurance has stood up remarkably well during all the war time and during the period when it has been under fire. Mr. Kennedy stated that in New York City are found the headquarters of giant concerns and he has been assured by those at the head that they have confidence in insurance and the men who are guiding its destiny.

After all those who are attempting to besmirch insurance do so because for the most part they are not acquainted with what the industry has done and they do not comprehend its great importance, its protection and its sheltering arms. Those who have the largest premiums to pay have little fault to find with insurance and its manifold activities. Both speakers said that insurance men can well keep their heads up and have a genuine sense of pride in the business with which they are so closely allied.

### Handling of the ATC Insurance

Consummation of the arrangement under which Indemnity of North America offers coverage to civilian and military passengers on Air Transport Command planes deserves more than passing attention as an exception to the tendency of the federal government to encroach into the field of private enterprise. This tendency is constantly under fire and quite properly so, not only from people who may suffer by such infiltration but by the many who fear the eventual results of the quest for greater governmental scope and power. Hence, it is only fair to point out that under what must have been a considerable temptation to handle the job itself, the government turned the insuring of ATC passengers to a private insurer.

The deal took plenty of conferences and negotiation but the fact that it was finally put into effect reflects great credit not only on the War Department personnel that handled the arrangements but on the Indemnity of North America for its willingness to take on a new type of coverage, and to the U. S. Chamber of Commerce for acting as intermediary. Credit also goes to the unsuccessful bidders, for like Indemnity of North America they were willing to

adapt their underwriting to a new situation and did not insist that the coverage be written in the orthodox fashion or not at all.

Parenthetically, while not detracting unduly from the War Department's achievement, official insistence that the complete rate schedule be withheld from publication and only the 10-day rate for \$5,000 of coverage be released seems unwarranted. Rates are of prime interest to insurance readers and their omission from the announcement was a glaring and mystifying one. After all, what could Jap spies deduce from the complete rate schedule that they could not guess as accurately from the 10-day rate? As soon as the insurance setup has been in effect even a brief time the complete rate information will be common knowledge, so that its suppression by the War Department delays the disclosure for such a short time that it is difficult to see the reason for any delay whatever.

However, what stands out prominently and creditably in the War Department's handling of the ATC insurance is that it was willing to make available to insurers wishing to bid sufficient information on ATC's experience to enable them to submit quotations based

as largely as possible on accurate data with a minimum of guesswork.

It would be easy to plead military security or wartime urgency as reasons for letting the government invade many fields of private insurance. Thus far, the government's record in general is one of insuring with private insurance companies such risks as they may reasonably be expected to assume and which the government wants covered by insurance, or as has been more frequently the case during the war, where the government was not so much interested in the indemnity as in utilizing the existing underwriting and claim facilities of the private insurance market.

War Damage Corp., Defense Plant Corp., War Shipping Administration, to name a few, are examples of the government's utilization of private insurance

facilities and cooperation with the private insurance market. It is significant that as the course of the war changed the hazard in various areas from one that the private marine market could not reasonably be expected to assume to one that it could handle, WSA brought about the return of war risk coverage to private carriers.

In handling the ATC insurance setup, it is obvious that the War Department and Indemnity of North America must have made numerous compromises and concessions to each other to arrive at a common ground. It was a new venture for both. It can be cited as an example to show that the federal government does not always encroach on the domain of private business and that private insurance has the flexibility to meet the demands of new situations.

## PERSONAL SIDE OF THE BUSINESS

**Henry Anderson**, insurance manager of Paramount Pictures, Inc., has been elected a trustee of American Savings Bank. He is first vice-president of the Risk Research Institute.

**Gilbert Kingan**, U. S. manager of London & Lancashire, and **W. W. Gilmore**, Pacific Coast manager, were in Chicago several days visiting their western department people. Mr. Gilmore was returning to San Francisco from New York where he had gone for the National Board annual meeting.

**M. E. Bulske** of Leesburg, Fla., formerly chief inspector of the National Inspection Company at Chicago, has written a special analysis of the hazards and loss probabilities of the citrus packing plant industry in the south.

**Fraser R. Charles** has completed 25 years of service as special agent in Dallas for National Fire group. Mr. Charles has spent his entire business career in fire insurance in Texas. Before joining National Fire in 1920 he served several years in local agencies.

**T. A. Bolte**, senior license investigator in the Los Angeles office of the California department, who has been serving as field director of the American Red Cross, has been relieved of duty and returned to his duties in the department.

**C. Reid Cloon**, vice-president of R. B. Jones & Sons in Chicago, has just bought the 36-foot sloop-rigged "Colleen," a fast R-type boat, from a lieutenant commander who is in the navy. Mr. Cloon sailed on the "Colleen" in 1943 in a 12-mile race in Lake Michigan when she came across the finish line four minutes ahead of her nearest competitor. The sale was made right there, although it took about two years for it to crystallize. Mr. Cloon is a member of the Chicago Yacht Club and keeps his boat in Belmont Harbor close to where he lives.

**William S. Vanderbilt**, secretary of Hartford Fire, celebrated his 25th anniversary with the company June 1. He has been active in the development of several specialty lines and in public relations work. He was elected assistant secretary in 1935, secretary in 1940 and

was recently appointed chairman of the advertising committee. He is a past president of the Rain Insurance Association.

**John G. Diekmann**, general agent in the brokerage and service department of North British group, was feted by his associates on his 25th service anniversary. He has been made a member of the "Norbit Guards," an association of employees with service records of 25 or more years. Mr. Diekmann's service record really started back in 1911 when he was originally employed. In 1917 he left to enter the navy and was employed elsewhere before he returned to North British in 1920 in the brokerage and service department. He was made assistant general agent in 1930, and was advanced to general agent in 1939.

**E. H. Born**, assistant manager of the Western Underwriters Association, is in Wesley Memorial hospital where he recently underwent an operation. He will be confined to the hospital for another couple of weeks or so.

**John J. Flood**, state agent in northern Illinois for the North British group, is bereaved by the death of his mother in Chicago.

**A. A. Morey**, assistant vice-president of Marsh & McLennan, discussed "40 Plus," the problem of what to do with older employees, at a meeting of the Chicago Personnel & Guidance Association there.

**S2/c Mallory Kountze** is home on leave, after 20 months in the southwest Pacific. His father is **Denman Kountze**, president of Midstate Underwriters, Omaha general agency.

**Alfred W. Perkins**, insurance commissioner of Maine, now on leave of absence serving with the navy, is at present stationed in Manila as communications officer.

**J. L. Hawthorne**, supervisor of the reinsurance department of North British group, marked his 25th anniversary with the organization when 50 of his insurance friends gave a dinner in his honor in New York City. He was presented with a large portrait of himself photographed by those attending. S. P. Ratch-

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Editorial Assistant. Business Dept.—N. V. Paul, Vice-Pres.; J. T. Curtin and W. J. Smyth, Resident Managers.

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Harry J. of Henry R. L., agent

Mrs. M. James T. of Danville Durham, president Insurance

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ford, vice-president of the Joseph M. Byrne Company of Newark, acted as toastmaster. Mr. Hawthorne is vice-president of the Insurance Square Club of New York and of the Reins Club of New York. Recently he was appointed aide-de-camp by the commander-in-chief of the Veterans of Foreign Wars. He holds the rank of major in the New York guard.

C. B. Coates, associate editor of "Factory Management and Maintenance," appeared on the New York "Times" broadcast Tuesday afternoon of this week. It was known as the broadcast of "What's On Your Mind?" Mr. Coates is the son of Charles H. Coates, formerly western manager of National Liberty and later vice-president at its head office in New York City. His son has made a brilliant record in his special field.

E. A. Bloomquist, who succeeds L. J. Haefer as director of the War Shipping Administration, wartime insurance division, was formerly chief adjuster of claims for WSA in New York City.

H. K. Dickinson, assistant western manager of Fire Association, has gone to Orlando, Fla., to see his brand new grandson. The mother is Mr. Dickinson's daughter. She and her husband, Capt. Elwood Beeson, reside at Orlando, where he is in war service. A tinge of sadness pervaded the visit, as Mrs. Dickinson died about two weeks ago.

## DEATHS

Mrs. Anna Block, 75, mother of John J. Block, prominent East Chicago (Ind.) agent, died at the family home in Michigan City last week. Although she had not been in good health for a year, her last illness lasted only 10 days.

Harry L. Bates, 64, assistant secretary of Henry W. Cooke Co., Providence, R. I., agency, died there.

Mrs. Mabel Robinson Catlin, wife of James T. Catlin, prominent local agent of Danville, Va., died in a hospital in Durham, N. C. Mr. Catlin is a past president of the Virginia Association of Insurance Agents.

Jacob Greenfield, sole owner of the Greenfield Insurance Agency and of J. Greenfield & Co., Houston, Tex., died at Rochester, Minn. He was a charter member of the Insurance Exchange of Houston and has long been active in the Texas association and the National Association of Insurance Agents. A brother, Henry, is a partner in the Cochran agency of Houston.

Marian Gillis of the WAC, formerly with the Allen T. Arch Co. and Cosgrove & Co., and a member of the Insurance Women of Los Angeles, was killed in an air crash in Dutch New Guinea.

Philip H. Hamm, 85, local agent in Milwaukee for nearly half a century and one of the oldest members of the Milwaukee Board, died at his home there.

Walter G. McLean of the Sparkman & McLean agency died in a Seattle hospital at the age of 63.

Frank A. Zink, 62, Canton, O., local agent, died there.

Pfc. William J. McLean, paratrooper, who before the war was associated with his father, C. Garfield McLean, as insurance appraiser in Boston, was killed in action a few days before V-E day. He had recently returned to active duty after leaving a European hospital where he was recovering from wounds for which he had received the Purple Heart.

F. Newton Williams, 39, president of the Pearson, Wallace & Williams agency, Laconia, N. H., died following a brief illness. He was a native of Kansas City and had been in Laconia about seven years.

T. L. Pusey, 75, Cook county and brokerage manager of Phoenix Assurance group in Chicago, died June 1. He had returned from a vacation to his old home at Brandenburg, Ky., the day before and had not been feeling well. His health had been on the decline for a

year or so. Mr. Pusey had been with Phoenix over 55 years, all his business life, having started with the western department in Chicago in October, 1889, after his graduation from high school in Louisville. He was an examiner at the time the western department was transferred to New York in 1923 and he stayed several years in New York before he returned to Chicago in charge of the brokerage department. On the death of James E. Mattimore in 1938, Mr. Pusey also became Cook county manager. Mr. Pusey was a quiet, friendly, hard worker type and stayed close to his job. Burial was in Brandenburg.

Mr. Pusey was the oldest employee of the Phoenix-London group in this country in point of service.

Henry F. Freck, 52, president of H. F. Freck & Co., New York City brokers, died this week. Previously an agent for Travelers, also Hartford Accident, in 1921 he organized his own agency with offices at 110 William Street.

Herman Carstens, 63, Manitowoc, Wis., one of the founders of Wisconsin Threshermen's in 1915 and president since 1921, died at a Manitowoc hospital as a result of severe burns suffered when the brooder house on his farm was destroyed by fire. Pneumonia was the immediate cause of death.

Mrs. Effie B. Miller, mother of Elmer Miller, insurance news reporter of the New York "Journal of Commerce," and of William B. Miller, secretary of American of Newark, died of a heart attack at her home at Staunton, Va., Tuesday. Elmer Miller got word while covering the insurance commissioners' convention at St. Paul.

Henry F. Burrichter, 80, local agent and former banker at Lost Nation, Ia., died.

Laurence C. Davis, 61, head of a local agency in East Longmeadow, Mass., for several years, died there.

## IN U. S. WAR SERVICE

Capt. Edward McCloy, formerly an investment analyst with the Continental Assurance and Continental Casualty at the home office, who is serving as liaison officer with a U. S. combat section of the Chinese combat command, has been promoted to major. He was born in China, but until his return there last fall had not been in the country since leaving it in 1926.

R. L. Rose, formerly advertising service manager of THE NATIONAL UNDERWRITER, has been promoted to full lieutenant in the navy armed guard. He made his most recent trip to the European continent just before the end of hostilities there.

Lt. John H. Toole, formerly with U. S. F. & G. in Helena, Mont., was injured while serving in an infantry division in Germany. His father, Howard Toole, represents several fire and casualty offices in legal matters and adjustments.

Lt. T. Roney Williamson, formerly marine special agent for Fireman's Fund at Hartford and Washington, D. C., after spending a year at the field artillery school, Ft. Sill, Okla., as a member of the staff and faculty, has left for the Pacific theater. His father is marine manager of Rhode Island in New York City.

Staff S/Sgt. Francis T. Golz has been awarded the air medal with five oak leaf clusters for meritorious achievement in flying with the 493rd bombardment group of the 8th air force in assaults upon the synthetic oil center of Merseburg, Germany. He is 23 and a gunner on a flying fortress. He has over 250 hours of aerial combat over Europe. Sgt. Golz, from Oak Park, Ill., before entering the service in 1942, was an underwriter of Ocean Accident in Chicago. He received his wings in October, 1943, at Harlingen, Tex.

Sgt. Herbert S. Parsons, formerly a claim adjuster for Continental Casualty in Chicago, is serving as chief clerk in company supply at a headquarters of the Chinese combat command near Nanking,

## Field Men in Service Are Expected to Take Old Jobs

While there is considerable speculation as to how many men now in uniform will be willing to return to their old jobs, fire company executives feel confident that the state and special agents will come back to their former work and be better equipped to handle it than ever before. They will not present the same relocation problem that some other employees are certain to. For example, a man who was a map clerk before he went into the service has naturally matured and gained considerable experience. In all probability the latter will have advanced in rank and been in command of a group of men. He will have had considerable authority and will not be content to return to his old job. He will want something better. The companies are prepared to meet that situation and will make every effort to place the man in a job for which he is better suited.

### Better Fitted for Jobs

This very experience will have equipped many men for field work. For instance, one company executive states that he lost several examiners to the army and when they return he hopes to put them on the road because he thinks they will be qualified for the job. Of course all of the men who come back probably will have to take a refresher course of some kind to bring them up to date on changes that have been made and developments in the business during the past three or four years.

Generally speaking, state and special agents' jobs have been held for them. It takes a long time to train a field man and in most cases the older men have doubled up their own work in order to cover more territory and in many companies home office executives have gone into the field themselves to help keep the ball rolling.

China. He served in liaison supply with the American military mission which trained, equipped and supplied the Chinese expeditionary force in its successful Salween campaign.

Clarence W. Leckner, former casualty underwriter for R. N. Crawford & Co., Chicago, who was taken prisoner by the Germans while fighting in Italy with the 5th army, was freed by the American advance from the Moosburg concentration camp. Within a few days he was returned to France and now is in this country. He had been held by the Germans since September, 1944. He was a "pfc" and a walkie-talkie operator in the 350th infantry.

R. N. Jr., a captain in the air forces, who has been in the service 4½ years, has been honorably discharged because of his large number of points. He was in the El Alamein tank race to surround Gen. Rommel and his force, helping to clean up the North African campaign and then went across to Italy and took part in the bombing of the Axis countries. Capt. Crawford entered the army from the national guard and was transferred to the air service in May, 1941. He is returning to take a responsible position in R. N. Crawford & Co., and was in Chicago a few days ago.

Adrian H. Lindsey, Kansas state agent of Kansas City Fire & Marine, has been promoted to colonel on Okinawa. He also was awarded the bronze star. He is assistant chief of staff in charge of plans and operations for the 96th division.

Lt. Woodrow J. Vanhoven, U.S.N., who was in the underwriting department of United States Aviation Underwriters at New York before entering service, has returned on leave and spent Monday morning with his former associates. He has completed 30 bombing missions in the south Pacific, having participated in early raids over the Philippines, the first raid on Tokyo, Iwo Jima, Formosa, Okinawa and Kyushu Islands. Lt. Vanhoven has five air medals and two distinguished flying crosses.



MY BOSS SAID...



"Write our  
INLAND MARINE  
policies, too, in  
PACIFIC NATIONAL"  
...AND I KNOW WHY!

Our agency is progressive. We want to give our clients the balanced protection that Pacific National provides. That company is always out ahead, anticipating tomorrow's trends today. They've helped us get many new accounts, and their service to agents is tops! ★For example, Pacific National not only writes a modern, complete Personal Property Floater but also furnishes a printed salesman that's a knockout! It's a colorful, dramatic folder with application form attached—called, "Enjoy Peace of Mind." My Boss gets plenty of new business with it. You ought to send for a copy.

ABOUT THAT FOLDER: If the Personal Property Floater is written in your state, why not act on the young lady's suggestion? Request sample copy from our Inland Marine Department.

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NATIONAL  
FIRE INSURANCE  
COMPANY**

HOME OFFICE: SAN FRANCISCO  
EASTERN DEPARTMENT: PHILADELPHIA  
OFFICES IN PRINCIPAL CITIES  
COAST TO COAST

**WE** HAVE FORMULATED a comprehensive program of excess covers in the Private Aviation liability lines and solicit discussion of this service with companies who are preparing to meet the imminent demand in this increasingly important field.

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## Independents Form Bureau to "Preserve Independence"

### Fifty Companies Act at Chicago Meeting—Henry Moser Is Chairman

About 50 independent casualty companies, principally those whose capital interest is in full cover auto insurance, at a meeting in Chicago took action towards forming an organization.

In setting up an organization the group recognized that the independents are going out of their character but they concluded that it is necessary for them to wield collective influence in the field of state rate regulation and on the federal scene if they are to "preserve" their independence.



Henry S. Moser

### Set Up Organization Committee

An organization committee was created consisting of three stock companies, three mutuals and three reciprocals with Henry Moser of the Chicago law firm of Sonnenschein, Berkson, Lautmann, Levinson & Morse and general counsel of Allstate, as chairman. That group will act as the executive committee until the first annual meeting and was instructed to select a name for the organization, draft a constitution, elect officers to serve until the first annual meeting, appoint necessary committees on which shall be an equal number of stock and mutual companies and at least one reciprocal. R. C. Mead of State Farm Mutual Automobile is secretary of the committee. The members of the committee are Auto-Owners, Employers Mutual Casualty, Des Moines; State Farm Mutual; Allstate, American Fidelity & Casualty, Ohio Casualty, Detroit Motor Club and Chicago Motor Club.

### Industry Committee Members

The committee was instructed to select two representatives on the industry committee that, at the instance of the insurance commissioners, is studying the insurance aspects of the federal trade commission, Clayton and Robinson-Patman acts. The committee subsequently named as those representatives Mr. Moser and Mr. Mead, both of whom are at the commissioners meeting at St. Paul this week.

Mr. Moser opened the meeting at Chicago and the group selected Adlai Rust of State Farm Mutual as chairman for the balance of the session.

Mr. Moser was subjected at St. Paul to a barrage of suggestions for a name for the new association of independents none of which could be regarded as helpful.

### Discrimination Cover Ruled Out

COLUMBUS — Attorney-general Jenkins has notified Superintendent Dressel that in his opinion it would be illegal and against public policy for an insurer to write a contract protecting against damages based on race discrimination against patrons or prospective patrons of a business, as prohibited by the Ohio civil rights law.

## Many Changes Adopted in A. & H. Policy Guide

ST. PAUL—Changes in the official guide for measuring accident and health policy filings were adopted and a study of standard provisions was authorized by the accident and health committee of the N.A.I.C. at the convention here.

The changes in the official guide were as recommended by a subcommittee headed by Parkinson of Illinois. They are effective Jan. 1, 1946.

Under the heading, "Filing of Forms," there was introduced under "A" the clause, "unless otherwise required by individual states," preceding the statement, "two copies of all such forms shall be submitted." This was done to take care of the situation of those states that want more than two copies.

In the parenthetical statement following the heading, "Guide for Review of Contracts," the provision was added that the guide is applicable to family expense contracts as well as to policies issued to individuals.

### Medical Requirement Provision

There was introduced a new section under the caption, "Requirement of Medical Attendance," reading: "If benefit payments under any revision of a policy are to begin with or are related to the first visit of a physician or the date of the first medical attendance, such stipulation shall appear in the benefit clause to which it applies. Payment of benefit may be limited to such time as the insured is under the care of a physician or practitioner but shall not be conditioned upon any specified frequency of visits or attendance by a physician or practitioner."

Mr. Parkinson explained that this is intended to protect insured who may suffer such injuries as a fracture and not consult a doctor for several days after the accident. Also he said some of the limited policies provide that the doctor's visits must be as frequently as once a week and hereafter that will not be allowed.

### Confining or Non-Confining

A new section was added under the heading, "Confining or Non-Confining Illnesses or Injuries," reading:

"Policies may provide larger benefits during such time as the insured is confined wholly within doors but the illnesses or injuries on which such payments are based shall be identical for both confining and non-confining benefits."

Mr. Parkinson explained that some of the limited policies contain very large benefits for specified ailments where they cause confinement, but the specified illnesses are those that rarely if ever bring about confinement. The benefits for non-confining ailments are much smaller.

In item 6 under the caption, "Certain Exceptions," where a policy contains exceptions that reduce or entirely relieve the insurer of liability "when loss is sustained while violating law, while intoxicated or during riots, etc.," the clause in quotations is to be deleted. Such exceptions must be so drafted as to reduce or eliminate the insurers' liability only where there is causal connection between the thing excepted and the loss.

### Reductions for Age

In item 10 under the heading "Particular Exceptions" (B): "Reduced benefits because of age—A provision for payment of only a percentage of the full benefits while the insured is under or over certain specified ages is a reduction and shall be treated as provided under chapter 11," there is added: "But no policy shall be approved for issuance at any original age which does not provide a reasonable period of full coverage

prior to the age at which the reduced benefits become effective."

The changes were recommended by the subcommittee, Mr. Parkinson explained, after numerous responses had been received from a questionnaire to commissioners regarding suggested changes. Many of the suggestions related to legislative changes and these were not considered. Due to the fact that there are so many suggestions for A. & H. legislation, Mr. Parkinson suggested that the A. & H. committee seek from the full association authority to name a special committee to study the old standard provisions of 1912 and determine what changes might be recommended for enactment by the states. That motion was adopted.

### Would Broaden Group Cover

Harold R. Gordon submitted a proposed bill favored by the Health & Accident Underwriters Conference to broaden the scope of group disability insurance. He said the companies desire to have enabling acts to permit the writing of small group policies for risks that are now in the twilight zone between the individual policy and the full group of 50. This provides for the writing of franchise or wholesale A. & H. insurance, with the issuance of individual policies, for groups of three or more employees or members of governmental offices, private employers or associations, including labor unions, if the association is not set up for the particular purpose of getting insurance. There must be periodical payment of premium to the insurer through a single individual. That provision, Mr. Gordon said, is important, because if the premium has to be collected from each individual insured there can be no justification for giving a group rate.

Mr. Gordon said the conference originally favored setting five employees as the minimum, but the Wisconsin Medical Society wanted the minimum of three to take care of persons in small stores and offices, particularly in rural sections.

### Anti-Discrimination Angle

Frazer of Nebraska inquired about the anti-discrimination feature and Mr. Gordon said in states with anti-discrimination statutes there would have to be an anti-discrimination waiver in the law.

Garrison of California stated that the bill in his state will become law, which has a minimum of five employees in private employment and in associations. Mr. Gordon's proposal was referred to a subcommittee with instruction to report at the December meeting.

There was some discussion of mail order A. & H. insurance and also of whether in view of the shortage of the doctors the companies should be asked to modify the confinement provision of their policies to permit the assured to go to the doctor's office.

Roy Diepenbrock of Missouri at one point in the discussion of limited policies made the suggestion that the manner of presentation be made the test of whether a policy shall be regarded as limited. For instance, if a policy provides \$10,000 benefit for death in a train accident and \$50 for injuries and the company stresses the \$10,000 feature in its sales, then that would be a limited policy, whereas if the \$50 coverage were emphasized it would not be a limited contract.

### Lippincott Speaks in Chicago

The Casualty Engineers Association of Chicago will hold a dinner meeting June 8, at the Central Y.M.C.A. L. H. Lippincott, who has specialized in creating interest with the workers in accident

## Seek to Arrive at Uniform Group Definitions

### N.A.I.C. Committee Holds Session—To Study Development Possibilities

ST. PAUL—The committee session at the National Association of Insurance Commissioners' meeting here Monday on group insurance definition proved to be especially valuable in illuminating the many changes that have been occurring in this field and laying the ground work for further study to permit group cover to be developed even further within reasonable bounds. Thompson of Oregon presided and the final decision was for the subcommittee to engage in more intimate consideration of the questions involved in cooperation with Life Insurance Association and American Life Convention representatives. Albert Pine of L. I. A. and Ralph Kastner of A. L. C. assured the committee that they could count on company help.

While the group casualty covers were considered to some extent life insurance was the main topic. The consensus of the company people was that the two departments should not be bracketed in one definition because different principles apply and each should be treated separately in both laws and regulations. A brief that had been submitted to the N. A. I. C. committee last December by L. I. A. but not generally released at that time formed the basis of the discussion.

There was considerable sentiment in favor of reducing the minimum group risk to 25 lives from 50 so as to furnish this type of protection to the masses as far as possible. There was also sentiment for extending the plan to credit risks, borrowers and trade association members with certain safeguards.

Mr. Pike was questioned as to union coverage. He observed that a pitfall may exist in the fact that the coverage may continue after the working years of a man are over and instead of the insurance running to age 65 it may run to 95. In time as the retired worker group increases, the cost will mount to perhaps \$3 a month from the usual cost of about \$1. In that event it would be a case of the young fellows paying for the old ones and the attendant headaches.

As to the trade association idea, Mr. Thompson said it is apparently the company viewpoint that it should be required that there be someone sharing in payment of the premium besides the assured.

Mr. Pike voiced the opinion there should be a redetermination of group insurance and agreement on a set of principles, such as for instance that there shall be no employee pay all schemes.

On the score of group insurance for borrowers, Mr. Pike remarked that coverage can't be provided for every type of borrower, because for instance if there were, a man could send his grand-

(CONTINUED ON PAGE 28)

prevention, will talk on "The Fourth E," which is a safety factor in addition to education, engineering and enforcement. This will be the last meeting for the summer and the next regular meeting will be held Sept. 7.

## Participating Stock Business May Come Under Texas Law

### Prohibition of Deviations Leaves Dividends Only Competitive Measure

AUSTIN, TEX.—The fact that under the new Texas casualty and surety rating laws no deviations are possible and absolute uniformity in rate is being required is prompting several stock casualty companies that have the charter power to do so to give serious consideration to the idea of going on a policyholder dividend basis in this state. The attorney-general has given an opinion to the chairman of the house insurance committee that the casualty rate law requires rates to be uniform for all companies by classes of business in every respect.

That, of course, means that the only possible way for the buyer to get a cost advantage is to patronize a mutual or participating stock company. A number of stock companies that have the charter power have not actually written participating policies but have regarded that power as an ace in the hole to be used in just such a situation as is presented now.

### Casualty Rates Frozen

Under the Texas scheme, until rate regulation is actually established, rates of each company are frozen at the existing level. The commissioner is empowered to call for rate filings on 90 days notice and Casualty Commissioner Gibbs has given such notice in respect of seven classes of fidelity bonds. The commissioner will study the filings, perhaps conduct hearings and then promulgate the rates to which all insurers must conform.

The independent fidelity and surety companies are concerned at the prospect of being required to charge rates identical to those of the majority and it would not be surprising to find the introduction of participating stock insurance in Texas on a substantial scale. Whether the movement would spread into other classes of insurance would remain to be seen.

### Details of Texas Law

The new Texas casualty rate law calls for filing of information and rate plans by individual companies or by organizations, but the rates themselves are to be promulgated by the board of insurance commissioners. The new law does not apply to automobile and compensation insurance, which are already regulated by law. An insurer is given the right of appeal from the board's actions, but there is no provision for filing deviations. There is, however, a specific provision that the new law does not affect dividends.

### Provides for Filing Rates

The other rate law, which brings miscellaneous property and inland marine lines under the same regulations as fire and windstorm insurance, provides for filing rates and other information by carriers or by rating bureaus, rather than the board of commissioners publishing the rates. This law specifically exempts ocean marine insurance and gives the board authority to draw the line between inland and ocean lines.

Both laws provide for a maintenance tax for their enforcement. The fire and allied tax may be up to 1 1/4% of the gross premiums, while for casualty and surety lines the maximum is 2/5 of 1%.

## Truman Unemployment Proposal and House Study May Hold Up Wagner Bill

WASHINGTON — Consideration of the Wagner-Murray-Dingell social security bill may be delayed by President Truman's recommendation for emergency unemployment compensation benefits and the House ways and means committee study of social security problems recently begun.

In his message the President said that "Congress will soon deal with the broader question of extending, expanding and improving our social security program, of which unemployment insurance is a part. Although such improvement is fundamental," he said, "congressional deliberations on the broad issues will take time."

Rep. Dingell, co-sponsor of the over-all bill, hopes for ways and means hearings on the measure in the fall, saying there are strong demands for such hearings. His bill, he says, has been taken up with President Truman, but he would not say the administration favors it.

Senator George, finance committee chairman, says that body will not do anything with the bill until after the house acts on it.

Congressional supporters of expanded social security believe the President may send to Congress two or more messages of proposals treating specific phases of the program separately.

Senator Wagner, co-sponsor of the bill, says he will work for the Truman proposal regarding "unemployment insurance" federal benefits. Senator Tamm, Republican leader, says: "We have a social security system, and my inclination is to see how it works. I prefer to leave the matter to the states, but I do not want to close the door right away." He thinks some states on their own initiative will increase their unemployment benefit payments.

In discussing his unemployment compensation proposal, President Truman said he had not seen the new Wagner-Murray-Dingell bill. However, he added, he had favored the principal provisions of their old bill, describing himself as one of the senatorial authors of that measure.

Opponents of the new over-all bill point out that the President, in his recent message to Congress, refrained from a blanket endorsement of the measure. They interpret the President as saying in substance that full development of a comprehensive social security program is a long-range proposition which Congress could not be expected to do in a hurry, but that a broadening of the coverage of unemployment compensation and an increase in amounts payable are urgent.

While the U. S. Chamber of Commerce, in a bulletin, points out that the new bill goes far beyond policies approved by its membership, "the proposed concentration of authority in Washington will be questioned widely," it states.

The chamber reaches the conclusion that "there is no indication sponsors of new legislation will seek action immediately. As for long-range prospects it may develop that some moderate expansion of the existing social security program will become law eventually, but enactment of the new bill in toto appears unlikely."

The chamber says President Truman's recent message recommending unemployment compensation legislation in "tone seems to indicate that White House attitude toward increased government direction of social legislation is unchanged."

The chamber calls attention that no estimate has been made in connection with the Wagner-Murray-Dingell bill as to its total cost.

Joe Holman, Jr., formerly associated with his father in a local agency in Springfield, Tenn., who had been a prisoner of war in Germany for several months, has communicated with his family, announcing his liberation.

## Large Agencies Keeping at Listening Posts Today

Local insurance agencies throughout the country can find some very valuable information by studying the policy of the country-wide insurance brokers at New York, Chicago and other centers from which they operate. These offices naturally are far flung, their income runs into millions, they have extensive accounts, they have installed service of the highest type. However, in their operations they follow rather closely a pattern which those of lesser strength and size can well emulate.

In the first place and perhaps the most important feature of the policy of these brokers at present is the decision to keep in close contact with their clients and others of magnitude who have a very clear vision of what is going on. They believe that it is a time when an organization needs to attend very strictly to its knitting. Its key men should extend themselves and tap information at various points as to what people believe that they want, what they complain of, especially where insurance is involved. It will be found that in these large offices the chief factors do much traveling, going to all sections of the country in order to have an intimate contact with clients and others that may have a bearing on their business. They are convinced that an insurance office should have listening posts whereby they can secure various kinds of information that can be assimilated. They realize the fact that there will be many changes from now on and the brokers desire to know as soon as possible what they are and what is the course that will likely be pursued.

### Problem of Cut-Backs

Quite naturally the country-wide brokers will be affected by the shutting down of war industries when the time comes. They now handle these accounts for the most part and they are very lucrative. Just what will happen when they change their basis, add reconversion work and perhaps enter on new fields will be of utmost importance. Naturally all local agencies will be affected by these changes since the enterprises are huge and of great momentum. Brokers, therefore, are studying the character of their clients and are giving attention particularly to those that will

have the greatest effect on their business during this period of change.

The general impression prevails that in the readjustment there is likely to be a reduction in premium income but many hope that it will not be sharp and severe. They rather think that when the reconversion period is ended and concerns become reoriented the insurance pendulum will swing back to its normal course. They are getting all the information they can concerning those enterprises that are of real importance to them.

Whatever policy these large insurance producing organizations adopt those of lesser dimensions must realize their size but at the same time many of the lines of procedure can be adapted to the smaller offices. Politically speaking these offices have confidence in President Truman. They take the position that he is a business man of sound training. He has had to work for his living since he was a boy. He has inherited many of those characteristics of the soil. They do not anticipate any great attempted reforms. They believe that he will veer more to the right and follow far more closely the principles of the federal constitution and will not attempt to infringe on the judicial or legislative branch of the government. In other words he recognizes the three basic departments of the government, executive, judicial and legislative. He desires to work in harmony with them. He is accustomed to getting on with people in a harmonious way.

### Watch Merchant Shipping

The big brokerage houses are watching the currents as far as merchant shipping is concerned and the possibility of developing strong ocean marine syndicates which will do much to generate activity both here and abroad. They are inclined to believe that after the war is over and a period of more normal living comes about the United States will be able to take a far greater part in overseas commerce and general business. In all likelihood they believe that the exports will increase several fold. Therefore they will watch the ocean marine market. They are making an intelligent study of ocean marine facilities, rules and customs.

## Propose \$8 Million Fund for Accident Prevention

WASHINGTON — Increased federal activity in accident prevention and industrial health hazard control at a cost of \$5,000,000 annually is proposed in H.R. 525, by Rep. Norton, New Jersey. It has been reported from the House labor committee with a favorable recommendation.

The fund would be allocated by the Secretary of Labor to the states on the basis of population, number of wage earners, special safety and health problems in industry, number of workers afforded protection by state law and cost of its administration, and financial needs.

Funds would be expended according to joint plans of federal and state labor departments. State labor commissioners would be consulted in developing rules and regulations. A 3-man industrial safety commission would be set up in the Labor department, to recommend to the states standards, methods, and procedures for establishing safe working conditions in industry.

## New Jersey Underwriters Elect New Officers

NEWARK—The Casualty Underwriters Association of New Jersey elected the following officers here at the annual meeting: President, Ernest E. Ehlers, Travelers; vice-president, Thomas

## Welcome Insurance Advice on Hobbs-Langer Bill

WASHINGTON — Cooperation of legitimate insurance interests, it is understood, will be welcomed by Rep. Hobbs, Alabama, and Senator Langer, North Dakota, in trying to work out provisions of a bill aimed at reaching fly-by-night concerns operating through the mails. Opportunity has been offered along this line, it is understood.

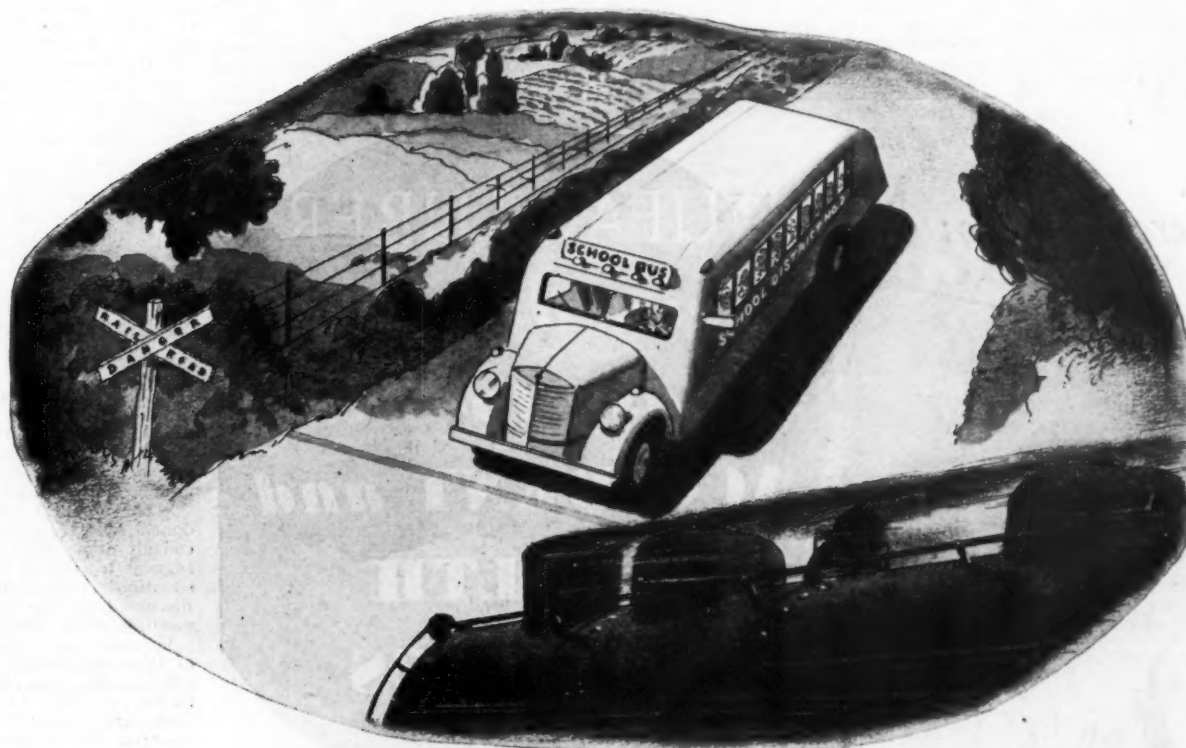
While some insurance interests say they favor legislation properly drawn, in order to protect the legitimate from the illegitimate, difficulties are reported involved in prescribing definitions and outlining the scope of prohibitions or restrictions proposed in pending bills.

While Hobbs reports that some commissioners support his bill to bar use of the mails to unlicensed companies, observers say such supporters want legislation to apply to "other" states, not their own.

Langer's bill would impose financial requirements upon companies before they could use the mails.

E. Maddams, Glens Falls Indemnity; treasurer, John Young, London & Lancashire Indemnity; secretary, Henry M. O'Brien, Fireman's Fund Indemnity; executive committee, Clinton L. Templeman, Royal Indemnity, chairman; William Griffin, Commercial Casualty, A. L. Glor and John During, Standard Accident.





## The Accident *that didn't happen!* Because of Safety Supervision by American-Associated

Since there is a concentrated group exposure and the lives of many school children are at stake, the careful inspection of insured school buses is a vital part of American-Associated Safety Engineering Service. Many an accident has been prevented, many a life saved, because of safety studies that include a thorough checking of such factors as lights, fire equipment, brakes, emergency exit doors, the hazards of the route traveled, and the experience of

the driver. Here is another example of Safety Engineering Service by "Your Partner in Safety." This provides a practical, specific program of accident prevention that brings positive results to the insured.

The experience of our engineers, the flexibility of our safety plans that permits each to be "tailored" to fit the individual risk, are available throughout the country to clients of American-Associated Agents and Brokers.

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## Frye Employee Sues Boeing for Plane Crash Injuries

SEATTLE—Claiming that he was not working and consequently was not covered by the compensation act at the time of the Boeing bomber crash into the Frye meat-packing plant here in 1943, Emil Mutti, an injured Frye employee, has filed a \$114,422 damage suit against the Boeing Aircraft Co., charging that he will be under medical care the rest of his life.

It is expected, when the answer to the complaint is filed in King county supe-

rior court, that the defense will hinge upon that provision of the Washington compensation act which renders a third party employer, who is also under the act, immune to tort actions for which an injured workman is compensated. Mutti has been receiving medical care as provided under the act, but has rejected compensation payments.

Mutti claims that he had just finished his lunch and was on the way to the Frye office to purchase a war bond when the plane struck. He contends that since he was not under the control or direction of his employer at the time the ac-

cident occurred he was not covered under the act and is free to exercise his common law rights against Boeing.

The newly elected officers of the Cincinnati Association of Insurance Women will be installed at the monthly meeting June 19. Miss Geraldine Woolver, Hartford A. & I., is president; Octavia Monogue, Gustav May Agency, and Irma Ankenbauer, I. W. Landt Agency, vice-presidents; Jean Mason, Edw. V. Winter Agency, and Gladys Steiner, Hartford A. & I., secretaries; and Mrs. Helen Mogan, A. M. Peck Agency, treasurer. The association will have a picnic in July.

## War Dept. Asks Cut in Munitions W. C.

The war department has applied for a reduction in workmen's compensation rates in munitions manufacturing risks. The matter was referred back to the National Council on Compensation Insurance by the industry joint rating committee and the National Council is having a study of the experience made. It is common knowledge that the experience on munitions plants has been much better than was expected. Since the war projects rating plan is on a cost-plus basis, a rate reduction would effect little if any reduction in the loss portion of the premium but would reduce the expense portion, which is geared to the standard premium. After the National Council's study has been made, the results will be referred to the industry joint rating committee for action.

## Waits for Commissioners on Unlicensed Insurer Bill

WASHINGTON—Rep. Hancock, New York, back on the job after a rest, says he will not introduce a bill to bar the mails to unlicensed insurance companies until after he hears from Superintendent Dineen of New York.

"Dineen thinks something ought to be done," said Hancock. "I asked him to consult other state superintendents and suggest legislation that would meet the situation. I understand the matter was discussed at the state commissioners' meeting in St. Paul."

Hancock said, "There is a great deal of false advertising of insurance in the newspapers. An obvious evil, it ought to be stopped," he declared. The ads that have come to his attention, mostly concern life insurance, some with accident and disability benefit features. The companies concerned are located in Kansas City, Omaha, Chicago and other cities, Hancock said.

He stated he did not think it wise to introduce a bill without the consent and backing of state commissioners, or at least leading superintendents. He has had complaints from various sources about mail order insurance advertising, Hancock said.

Following an interview published with him, he said, he has received a number of letters from insurance agents, and other insurance people representing legitimate interests. "They all endorse the idea," Hancock stated.

## Hartford Accident Booklet on Employee Dishonesty

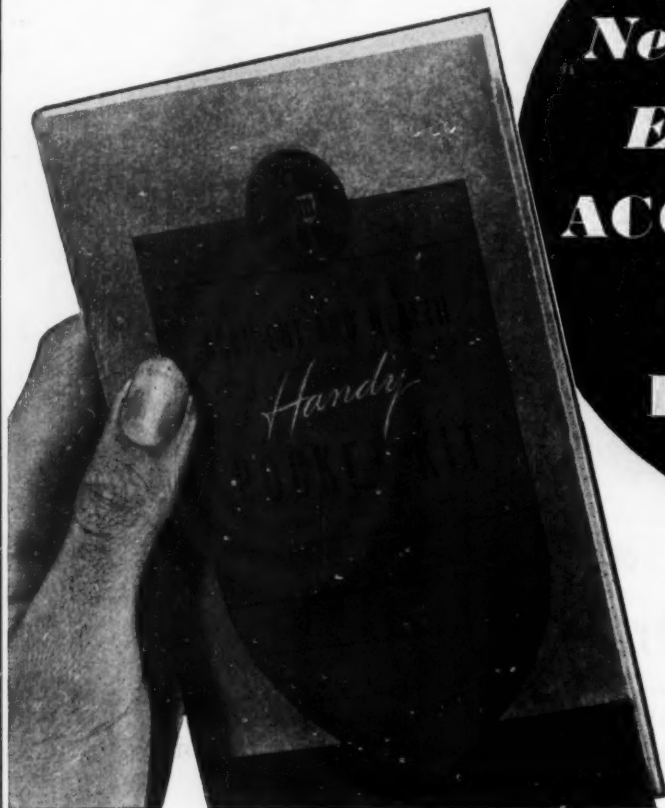
As a service to American business Hartford Accident is publishing a treatise by Lawrence W. Miles, vice president of Joseph Froggatt & Co., entitled, "Are You Your Brother's Keeper?" In the form of a 24-page booklet, it presents a practical approach to the problem of preventing employee dishonesty. It covers such subjects as employment practices, internal control, the control of disbursements, check cashing, inventory and stock taking, and payroll precautions. In conclusion, emphasis is given to the importance of fidelity bonds for protection from dishonesty losses, even though all possible accounting safeguards may have been taken within a business organization.

This booklet will be available to business men through Hartford Accident agents and will be featured in the company's national advertising.

Gen. Julius F. Howell, 99-year-old, sole owner of the Howell & Bachman agency, Bristol, Va., perhaps the oldest local agent in the country, visited the White House last Saturday and had his picture taken with President Truman. He is commander-in-chief of the United Confederate Veterans. Despite his advanced years he is still actively in charge of his agency.

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rates, applications and coverage information for each form of Accident and Health Policy issued by Manufacturers Casualty Insurance Co.

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Build profits quickly, easily, with this attractive free kit. Puts rates and selling points right at your fingertips—eliminates guess-work and errors. Makes Manufacturers liberalized policies easier to sell than ever. Convenient in size. Clearly worded. Printed in rich colors. Send for your free kit today. Just write your name on the margin of this advertisement and mail.

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## ACCIDENT AND HEALTH

### Florida A. & H. Rate Regulation Causes Apprehension

Although companies writing accident and health insurance are not disturbed by the prospect of having to comply with the A. & H. features of the new Florida casualty rating law, they do fear the possibility that this statute may germinate the idea of A. & H. rate legislation generally. Florida is the first state to enact A. & H. rate regulation. Although A. & H. is not included in the industry bill that was designed by the Association of Casualty & Surety Executives and National Association of Mutual Casualty Companies, Commissioner Larson of Florida insisted on including it in the Florida bill. Apparently he feels it will give the department some leverage in dealing with fly-by-night insurers.

The Florida law does not require an A. & H. insurer to belong to a rating bureau. It simply provides for filing rates and empowers the commissioner to disapprove filings. It is not regarded as an onerous law to comply with, but the fear is that the idea of such regulation may prove catching and introduce unwelcome complications in the A. & H. field.

### H. & A. Conference to Hold One-Day Meeting in Chicago in September

ST. PAUL—The Health & Accident Underwriters Conference will hold a severely abbreviated one-day meeting in Chicago some time in September, it was decided by the executive committee at a meeting here Sunday. The exact date and hotel will be selected later. In addition to the officers and executive committee, the Chicago meeting will be attended by 25 delegates representing member companies, thus reducing the total registration to less than 50.

There were eight officers and executive committeemen at the St. Paul meeting. The group included H. P. Skoglund, president North American Life & Casualty and president of the conference, R. J. Wetterlund, Washington National, chairman executive committee, who presided; Frank V. Cliff, Federal Life & Casualty; R. L. Spangler, Woodmen Accident; E. A. McCord, Illinois Mutual Casualty; V. J. Skutt, Mutual Benefit Health & Accident; W. G. Alpaugh, Inter-Ocean Casualty; O. F. Davis, Illinois Bankers Life, and Harold R. Gordon, managing director.

Also sitting in were J. C. Higdon, Business Men's Assurance; Dr. N. L. Criss, Mutual Benefit H. & A., and Paul Clement, Minnesota Commercial Men's.

### Warren Bill Loses in Cal.; Threat of Special Session

SAN FRANCISCO—The new state hospitalization bill presented to the California legislature by Governor Earl Warren has been defeated in the assembly public health committee. Efforts are now being made by its authors to bring it out on the floor. The measure differs from the original bills sponsored by the governor and the C.I.O.—which were similar in their general provisions—in that it proposes only hospitalization coverage, with wage earners paying .5 of 1% toward this service.

The doctors again opposed the measure but one of the arguments in its favor was the previous statement by the California Medical Association that the people are more concerned and troubled by the payment of hospital bills than fees to doctors.

There is reportedly a threat that a special session of the legislature will be

called if nothing along this line is done at the present regular session.

### New Officers Are Elected by St. Louis Association

New officers elected by the Accident & Health Underwriters of St. Louis are: President, Ray Hawkins, general agent Mutual Benefit Health & Accident; vice-president, Wellborn Estes, Occidental Life; secretary-treasurer, Sydney Alt-

man, Metropolitan Life. Directors are W. Stanley Stuart, Great-West Life; Reginald Snyder, American Hospital & Life; John A. Duggan, General American Life; Leigh C. Turner, W. H. Markham & Co.; F. B. Von Harten, Mutual Benefit H. & A.; Miss Maxine Mahon, Maryland Casualty; E. D. Mitchell, Great Northern Life.

### Old Republic Increases Capital; Will Write A. & H.

Old Republic Credit Life at a special stockholders' meeting authorized an increase in capital stock from \$200,000 to

\$300,000. Directors voted a 50% stock dividend, transferring the \$100,000 from surplus to effect the change.

Stockholders also approved an amendment in the charter to permit the writing of accident and health business.

### Reliance Life Announces Juvenile Protection

Reliance Life announces that medical reimbursement for accidental injury, and hospitalization coverage for sickness are now available for children at the younger ages. Beginning at age 5 children if insured on a juvenile or regular life



Toiling slaves hewed and wrought by hand . . . life was cheap . . . and the idea of insurance would have been beyond understanding.

Today . . . with effective tools in the hands of skilled workmen . . . all well protected by insurance . . . construction crews perform near-miracles in comparison with the labors of ancient builders.

Central Surety, operating through agents in all states of the Nation, is closely linked to accelerated progress coming through the ages.



## CENTRAL SURETY AND INSURANCE CORPORATION

HOME OFFICE KANSAS CITY, MISSOURI

R. E. McGINNIS, President

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plan will be considered for accident reimbursement. As the basis of issue, accidental death only policy will also be included. Limits are \$5,000 accidental death, \$500 medical reimbursement.

Beginning at age 10 children insured under either a juvenile or regular life plan will be considered for medical reimbursement for accidental injury and hospitalization for sickness. The same limits apply as at age five. Hospitalization for sickness will be restricted to \$5 per day.

### Continental Casualty Offers "New Independence" Policy

The "new independence" sickness and accident policy, just introduced by Continental Casualty's commercial division for business and professional men only, ages 18-54, permits preferred prospects to select from a wide variety of combina-

tion coverages, including eight regular indemnity plans which provide up to \$200 a month lifetime security, hospital-surgical coverage, and accidental death and dismemberment benefits, either with or without accident expense reimbursement up to \$1,000. Special combination plans with elimination periods up to 90 days can be tailored to fit the needs of all qualified risks.

The new policy provides for payment of monthly income at full rate for as long as the prospect lives, 12 months for non-confining sickness and thereafter for life if confined. There is no increase in premium and no decrease in benefits at any time on account of age. The policy is incontestable as to sickness origin after it has been in force two years, and cannot be cancelled during any period for which the premium is paid.

### No N. H. Interim Report

The New Hampshire legislature has adjourned. The interim commission

which was appointed to study the question of non-industrial accident and health insurance made no report to the legislature. Apparently the matter was so controversial that it was decided to sidetrack it. No bill was introduced in the legislature covering the subject.

### Boston Officers Reelected

The Boston Accident & Health Association at its annual meeting reelected its officers: President, Christopher F. Lee, Columbian National Life; first vice-president, W. Elliot Hanna, Commercial Casualty; second vice-president, Lawrence B. Pinckney, U. S. F. & G.; secretary, Harry C. Hawthorne, H. C. Hawthorne Co.; treasurer, Henry V. Madden, Boston Casualty.

Clarence A. Sholl, president of the National association, was present and spoke on "What Can We Do for Each Other and for Society." He also explained the accident and health courses which are to be given at Purdue University. W. B. Cornett, vice-president of Loyal Protective Life and former president of the National association, also attended the meeting.

### B.M.A. Minnesota Regional

A. Herbert Nelson, manager in Minnesota for Business Men's Assurance, was in charge of the Minnesota salesmen's meeting Wednesday at Minneapolis. Wartime merchandising problems of life and disability insurance were discussed as well as post-war plans for further developing of business in Minnesota.

J. C. Higdon, president of the company, and R. R. Haffner, actuary, represented the home office.

### Dan F. Creech Retires

Dan F. Creech, midwest accident and sickness division manager for Occidental Life of California with Chicago headquarters, is retiring after a successful career of more than 25 years. Mr. Creech will return to his home town of Troy, Mo., and operate his coal and fuel business.

Mr. Creech's retirement was announced by Vice-president V. H. Jenkins at a luncheon in Chicago at which Mr. Jenkins and Vice-president George V. Shipley, Chicago, were hosts. Tributes were paid Mr. Creech for his long record of service in the business and a farewell gift was presented by his associates.

### Schedule Policy O. K'd in Mass.

BOSTON—Both Massachusetts houses have passed a bill providing for the use of multiple optional benefits in accident and health policies.

### Consider Seattle Revision

The Seattle Accident & Health Managers Club at its monthly luncheon meeting June 15, will consider a proposed change in the by-laws as recommended by a special committee.

H. O. Fishback, vice-president of Northern Life, will represent the Seattle group at the annual meeting of the National association in Chicago June 28-29.

### Gordon to Visit Coast

Harold R. Gordon, managing director of the Health & Accident Underwriters Conference, will visit the Pacific Coast to study state-sponsored accident and health measures in Washington and California and to confer with executives in the accident and health field.

Mr. Gordon will spend several days in Seattle and will be guest of honor at a dinner meeting of the Seattle Accident & Health Managers Club June 11. Following the Seattle visit, he will spend a day in Portland and then will go on to San Francisco and Los Angeles.

### Responsibility Bill in Mo.

A financial responsibility bill of the New York-New Hampshire type, HB 317, is pending before the highway committee of the Missouri house.

## COMPENSATION

### Extension of Washington Law to Be Challenged

SEATTLE—The new Washington law making workmen's compensation available to workers in charitable and non-profit institutions probably will be challenged as to its validity. The department of labor and industries has ruled that every charitable and non-profit establishment in the state must report its entire payroll, regardless of the nature of the employment, starting with June 6, the effective date of the new law.

The validity of the law is challenged on the grounds (1) that no provision is made for assessing premiums or establishing a class for contributions by employers, (2) that employers by paying premiums to the state fund are not relieved of common law liability, as is the case with respect to the original act and its amendments, (3) that the law provides that both hazardous as well as extra-hazardous employment be covered, whereas the compensation act covers only extra-hazardous occupations.

Some brokers and agents are advising their insured to continue to carry employers' liability coverage, pointing out that in the event the law is invalidated they could be held liable in common law for injuries sustained by employees.

Several non-profit hospitals and other institutions, including charitable organizations, have retained Henry Elliott, Seattle claims attorney, to challenge the constitutionality of the act.

### Industrially Blind Can't Recover

The Ohio supreme court has ruled that employees who are industrially blind before losing the sight of an eye entirely are not entitled to workmen's compensation. Charles Nastuik of Garfield Heights suffered the loss of his right eye in an accident at the Ohio Crankshaft Co. plant. It was established, that before the accident Nastuik had only 6 3/4% vision, and the Ohio industrial commission awarded him only temporary total disability.

### Conn. 2nd Injury Bill Passed

HARTFORD—Both Connecticut houses have now passed the \$50,000 second injury fund bill which is to be supplemented by contributions from insurance companies based on 1% of their annual compensation premiums written in the state.

### New Jersey Branch Wins Standard Accident Trophy

Employees of the New Jersey branch of Standard Accident were feted by the management of the company at a dinner in Newark, on occasion of the awarding of the company's branch office Merit Trophy for outstanding performance in 1944.

In attendance at the meeting from the home office were L. K. Kirk, vice-president and treasurer; J. P. Hacker, vice-president; H. A. White, executive secretary; C. L. Miller and Al Clark of the Detroit office, and Don Clapp, assistant manager of the Chicago office.

The trophy was won by the New Jersey office with 77 points, second highest number accumulated by any branch since the trophy was put in circulation. The Detroit branch, the only two-time winner, won the trophy in 1941, and in 1943 won again with 80 points. The Chicago branch was the winner in 1942.

### Offers Reward for Stolen Bonds

NEWARK—Fidelity & Casualty is offering \$5,000 for information leading to the recovery of U. S. bonds stolen from the Union National Bank of Newark May 15. Should only a portion of the bonds be recovered and returned the company will pay 5% of the face value of such bonds. There were a number of \$5,000 and \$1,000 bonds stolen. F. & C. has paid the loss.

## Accident, Health, Casualty, Fidelity & Surety

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## CHANGES

### American Surety Names Three Branch Managers

American Surety and New York Casualty have appointed new assistant managers at three branch offices. J. Beryl Crawford becomes assistant manager at Pittsburgh, where he has been since 1938. Hallett L. Sevison, who until last November was at San Francisco as superintendent of casualty insurance, has been made assistant manager at Los Angeles. Norville M. Corson, who joined the companies in 1940 at Buffalo as superintendent of casualty insurance, has been made assistant manager there.

### Brown Named Secretary of Carolina Casualty

F. Stuart Brown has been elected secretary of Carolina Casualty, Burlington, N. C. He started in 1910 with Maryland Casualty, and in 1926, when he was assistant superintendent of the statistical department, left to join Norwich Union Indemnity as statistician in New York. Then for eight years he was controller of the eastern department of Fireman's Fund Indemnity.

#### Formerly With North America

In 1938 he went to Philadelphia as statistician of Indemnity of North America, and a year ago was elected president of the North America Employees' Association.

In his new position he will have charge of accounting and statistical work. He is a fellow of the Casualty Actuarial Society and associate of the Insurance Institute of America.

### Abright Joins Superior as Vice-president

J. H. Abright has resigned as executive vice-president of General of Dallas and vice-president of Houston Fire & Casualty to join Superior of Dallas as vice-president.

Mr. Abright has had 28 years experience in casualty insurance, all in Dallas home offices. He was secretary of the Fidelity Union companies until they were sold in 1931 to the Loyalty group and remained with that organization until he joined Traders & General as vice-president in charge of underwriting in 1933. After 10 years he became executive vice-president of General.

Superior, organized in 1935, specializes in workmen's compensation and miscellaneous casualty lines. It plans to expand operations beyond Texas, Oklahoma and Louisiana, where it is now licensed.

### O'Rear with Vernon General

Raymond O'Rear, who has been in the insurance claim adjustment field for 12 years, as an independent adjuster for several years, and went with Michigan Mutual Liability in 1943, has been appointed assistant claim department manager of Vernon General in Indianapolis.

American Policyholders has opened a claim office at 1180 Raymond boulevard, Newark, to service northern New Jersey business handled from New York City.

## SURETY

### Discuss Surety Rate Changes

The May 31 luncheon meeting of the Seattle Surety Association was given over to a discussion of recent rate changes in the Towner manual, with G. L. Perry, Hartford Accident, secretary, in charge.

### Ohio Bills Require Bonds

COLUMBUS—The Ohio house's commerce committee has recommended for

passage a bill which creates an Ohio aviation board. It requires board officials to give surety bonds. Surety bonds are also required in a house apple authority bill sent to the senate committee on taxation and a house bill placing strip mining under the conservation department, recommended by a house committee.

### N. Y. Surety Men Close Season

NEW YORK—The Surety Claim Men's Forum is holding its last meeting of the year on June 7. F. W. La-

frentz, chairman American Surety; Martin W. Lewis, president Towner Rating Bureau, and E. Vernon Roth, secretary-treasurer Surety Association of America, will speak.

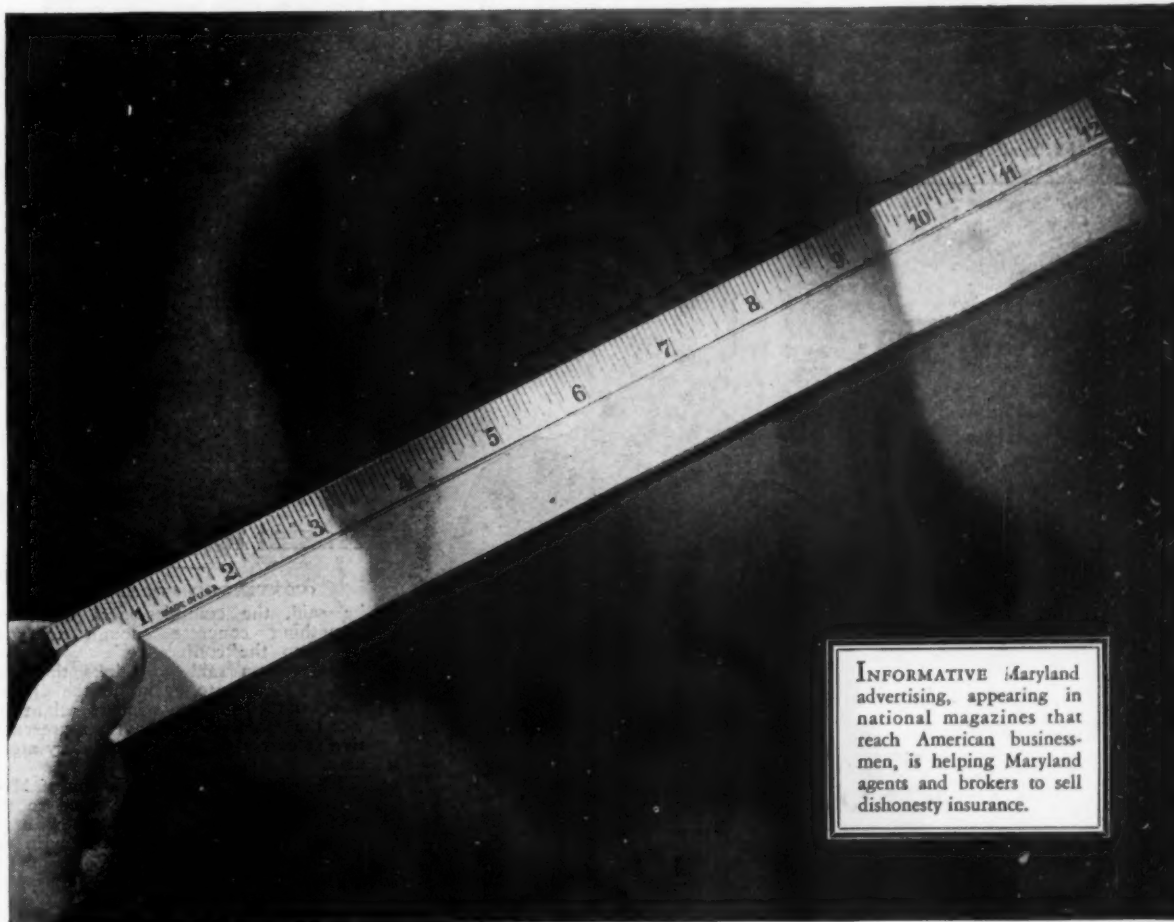
## PERSONALS

Commander James Hughes, after three years in the navy, is returning to civilian life and will resume his position

of general counsel of the Farmers Auto Inter-Insurance Exchange organization at Los Angeles. He attended in uniform the N.A.I.C. convention at St. Paul this week. Just recently he had been with the Bureau of Aeronautics at Washington.

R. D. Williams, former secretary of Sunset Life and Sunset Casualty, who is serving as special deputy in the Washington state insurance department to aid Commissioner Sullivan in drafting a new insurance code under legislative instruction, has tackled his new assignment

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INFORMATIVE Maryland advertising, appearing in national magazines that reach American businessmen, is helping Maryland agents and brokers to sell dishonesty insurance.

## HOW LONG IS YOUR MEMORY?

MANY A MAN recalls what took place after the last war. The things that happened to people and to business when the noise of battle was stilled.

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with enthusiasm, intelligently and with a determination to bring about a superlative result. He is a lawyer who is particularly well versed in life and accident and health matters and he is concentrating just now in developing his knowledge of the fire and casualty field. He attended the N.A.I.C. meeting at St. Paul this week, followed the proceedings closely and took advantage of the opportunity to ask questions of the experts in fields in which he desires enlightenment. His spirit is most cooperative.

Berkeley Cox, associate counsel of Aetna Life, has been elected president of the trustees of Hartford Seminary Foundation. He is a former chairman of the Hartford Housing Authority, and of the Connecticut Housing Authority.

Maj. Harold R. Greenlee of the War department contract insurance division has been promoted to lieutenant colonel. Formerly with Liberty Mutual, Col. Greenlee has been stationed in New York for some time as division claims officers.

Corp. Richard White, 34, who was

with American Mutual Liability in Milwaukee before entering service about two years ago, was killed in an army plane crash near McMinnville, Tenn. For the past year he had been a radar instructor at Boca Raton, Fla.

## COMPANIES

### American Fidelity, Vt. Elects New Officers

With acquisition of controlling interest in American Fidelity of Vermont by New Hampshire Fire, new officers of American Fidelity have been elected. The president is Stanley C. Wilson, formerly vice-president. James D. Smart, president of New Hampshire Fire; A. Pearley Feen who has held that post, and Homer L. Skeels, who is also treasurer, were elected vice-presidents. George W. Swallow, secretary-treasurer of New Hampshire Fire, was elected assistant treasurer of American Fidelity; Lloyd

W. Perkins, formerly assistant secretary of American Fidelity, becomes secretary and assistant treasurer; Lester S. Harvey, vice-president of New Hampshire, was named secretary, and Henry F. Berry, vice-president of New Hampshire Fire, also was elected a secretary. Bertha E. Riggs was named assistant secretary.

Directors include Messrs. Wilson, Feen, Skeels, Smart, Swallow, Berry, and Harvey. Others are George C. Bailey, F. W. Shephardson, George E. Milne, W. N. Theriault, W. Arthur Simpson, N. S. Bean, B. F. Milne, M. J. Greenough, H. C. McAllister, A. I. Doling, O. A. Dexter, George A. Dewey, and A. B. Carpenter.

### Move to Merge Am. Farmers Mutual and Cooperators

Steps are being taken to consolidate American Farmers Mutual Automobile of St. Paul and Cooperators Insurance Mutual of Milwaukee. These are associated companies and are part of a group that includes also Central Mutual Fire of Superior, Wis., Cooperators Life Mutual of Milwaukee and Cooperators Life Association of St. Paul.

American Farmers Mutual Auto at Dec. 31, 1944, had assets \$701,462, surplus to policyholders \$155,000, net premiums written \$498,506, losses paid \$186,592, expenses \$151,026. Cooperators Insurance Mutual had \$409,182 assets, \$130,000 surplus to policyholders \$229,626 net premiums written, \$75,495 losses and \$79,450 expenses. W. T. Allnut of Minneapolis is manager of both companies.

### Uniform State Laws Group Offers to Give Assist to Insurance

(CONTINUED FROM PAGE 5)

he said, the commissioners must get something concrete enough to pass along to the conference.

Harrington said he thinks the conference desires to be in on the ground floor and the commissioners might invite the conference to have a representative at commissioner and industry meetings.

At the suggestion of Johnson of Minnesota, the matter was referred to the laws and legislation committee with instructions to make a report later in the week.

### Seek to Arrive at Group Definitions

(CONTINUED FROM PAGE 21)

mother to the bank with stocks and bonds to make a loan and get insurance. The requirement that the loan must be paid off in installments is one safeguard. As to the period of the loan, originally the requirement was three years. In order to cover mortgage loans the period should not be less than 20 years.

Thompson said another matter to be covered in the definition is whether the

insurance should at all times correspond exactly to the amount of the debt.

A. N. Guertin, American Life Convention, pointed out that if an employer has employee coverage, the amount of insurance fluctuates according to the increase or decrease in salary of the insured and that a parallel situation exists in covering indebtedness in that the insurance fluctuates with the amount of the debt.

Mr. Warters said it would facilitate matters for the companies if there were nationwide uniformity, but that the state system with the differences from one jurisdiction to another allows for experiments and development of frontiers. He suggested that the commissioners committee undertake simply to get up a set of principles against which any specific legislation that is advanced in a particular state might be judged. The laws in most states are flexible and a uniform bill might not meet the needs of a particular state.

### Garment Contractor Risks Troublesome

(CONTINUED FROM PAGE 4)

demand for garments greater than can be supplied, "they threw the matches away." There is no longer any temptation to have a convenient fire and there is every reason for avoiding conditions favorable to a blaze. On the burglary side, contractors no longer have on hand the large accumulations of finished goods. As soon as the garments are manufactured they are on their way to the purchasers.

### Asks Ore. Assigned Risk Plan Aid in Impaired Cases

PORTLAND, ORE.—Some suggestions in regard to underwriting war-caused physically impaired risks for automobile liability have been presented by Commissioner Thompson to the Oregon automobile assigned risk plan, which will take up the matter at its annual meeting June 8.

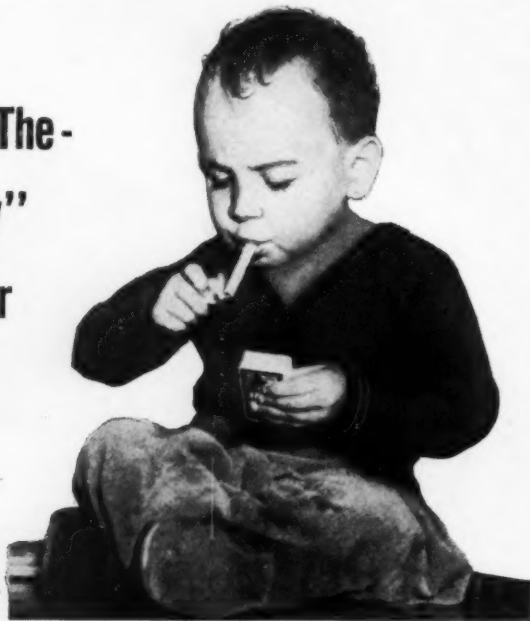
The commissioner refers to the resolutions adopted by the National Association of Insurance Commissioners and by the Association of Casualty & Surety Executives, which set up the principle that such impaired risks are deserving of the same treatment by underwriters as the public generally, when established as safe operators. He says the use of an assigned risk plan is specifically deplored in such cases, because of the many burdens placed upon an insured.

Some insurance departments have acted to bring the subject before the companies, while in other cases the companies have circularized the field force, advising that they have accepted the principle. He says the Oregon department is seeking a more effective system and one which is "less exposed to the possibility of an ultimate failure," and proposes that while the assigned risk plan not be used for underwriting such risks, its facilities may be available for handling the equitable distribution of such risks among the companies, a factor recognized as essential to the success of the move. His letter requests that a study and report be made by the assigned risk plan committee.

### Canton A. & H. Group Elects

CANTON, O.—The following officers have been elected by the Stark County Association of Accident & Health Underwriters: K. W. Anderson, Loyal Protective, president; R. Y. Gilmore, Pioneer Mutual Casualty, vice-president; John Safran, Maryland Casualty, secretary-treasurer. The executive board includes P. C. Rowland, Globe Casualty, chairman, who is also national delegate; L. J. Erlsten, Hoosier Casualty, alternate; J. B. Jones, Beneficial Standard Life; H. W. Schwab, Globe Casualty; L. J. Domer, Hoosier Casualty; L. Alta Decker, Globe Casualty.

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## Commission Issue Is Raised

(CONTINUED FROM PAGE 3)

what is a fair and reasonable profit and he urged the fire and marine committee to go on record in that regard. He said he had no definite recommendation as to what the percentage might be but he did mention at one point that 3% might be regarded as adequate.

Harrington of Massachusetts urged the committee during its St. Paul session to review the 1921 formula in detail and make recommendations, but the decision was to let this be done by a subcommittee prior to the fall meeting. Harrington made the specific suggestion that the provision in the 1921 formula for including unpaid agents' balances along with agents' commissions be eliminated. Mr. Barry declared that there would be no quarrel with that recommendation, that the amount involved is small and that the companies should not be permitted to charge back in the rate results of poor management.

### Louisiana Plan Cited

Allen Kimball of Louisiana said the fire commission of his state has a satisfactory expense formula and the companies give excellent cooperation in responding. He remarked that a five-year test is applied and that a profit factor of approximately 5% is allowed and a conflagration allowance of about 2%.

Gough made a plea for uniformity, saying that coordination among the states is vital in the rating field. He said fire and casualty lines are closely linked today and that they must be con-

sidered together, whereas in 1921 fire insurance was about the only line that was subject to rate regulation.

J. R. Berry, national board, seconded Mr. Gough's plea.

### Conick Submits I.E.A. Report

H. C. Conick, U. S. manager of Royal-Liverpool, said the I. E. A. for the past year has been engaged in a study of statistics and classifications and he submitted its interim report. That report is in greater detail, he declared, than any that has been submitted to the commissioners in 15 years. The I. E. A., he said, went to the New York code for its classification by perils; for its occupancy list it went to the census of industry by the U. S. Chamber of Commerce, and it developed classes of protection and construction. It is contemplated that the classification be placed on the daily reports by the rating bureaus. It is on the gross basis of premiums and losses. The report has been placed in the hands of the factory mutuals and general writing mutuals.

A. V. Gruhn, American Mutual Alliance, said his organization will cooperate in studying the classifications.

Finally there was reference to the change in constitution and by-laws of Interstate Underwriters Board. J. R. Dumont, I. U. B. manager, said the changes had been reported to the commissioners, the principal change being in eliminating any restriction as to placing or receiving reinsurance.

## I.E.A. Submits Proposed Classes

The Insurance Executives Association proposed fire insurance classification was submitted with the report of its committee on this subject. The report stated that the committee believes the fire insurance business must take action or it will be forced by regulatory authorities.

The classification is along four lines: perils, occupancy, protection and structure. The occupancy division is naturally the most numerous, having five subdivisions and 95 classes. The protection division has two classes, protected, which is National Board classes 1 to 8, and unprotected, which is classes 9 and 10. There are three classes in the structure group, fire resistive, masonry and frame, each as classified by the rating bureau having jurisdiction.

### Steers Middle Course

The committee report stated that it was not expected that the proposed divisions would be final or perfect, but that it endeavored to set up a classification system which would serve supervising authorities, the public and the business. It was necessary to try to steer a middle course, avoiding the intolerable expense and too narrow bases of too detailed a system, and abridgment of rating schedules which over-simplification would cause.

For actual operation of the plan, the committee recommended instructing stamping offices and rating bureaus to place code classification symbols on daily reports and including the classifications in future rate publications. Gross direct premiums and losses would be compiled

in company offices and data transmitted annually to a central statistical agency.

The perils and occupancy proposed classifications are shown below:

#### Classification by Perils

1. Fire.
2. Time element (fire)—U. & O., E. & O., profits and commissions, rents, leasehold, extra expense.
3. Extended coverage endorsement.
4. Windstorm and hail.
5. Water damage (including sprinkler leakage).
6. Earthquake.
7. Miscellaneous (not otherwise classified).

#### Classification by Occupancy

##### I—Habitational Risks (Buildings and contents)

##### Group 1—Habitational Risks

- Class 1. Dwellings and outbuildings (except seasonal).
- Class 2. Boarding and rooming houses, nurses' and sisters' homes, fraternity and sorority houses.
- Class 3. Seasonal dwellings, seasonal boarding and rooming houses, camps.
- Class 4. Apartment houses.
- Class 5. Farm property.

##### II—Mercantile Risks

##### Group 2—Mercantile Risks

- Class 6. Retail mercantile risks—buildings.
- Class 7. Retail mercantile risks—contents.
- Class 8. Wholesale mercantile risks—buildings.
- Class 9. Wholesale mercantile risks—contents.

##### III—Non-Manufacturing Risks (Buildings and Contents)

##### Group 3—Non-Manufacturing Risks

- Class 10. Office and bank risks including telephone exchanges.
- Class 11. Hotels, clubs, lodge halls and theaters.
- Class 12. Hospitals, sanatoriums.
- Class 13. Churches.
- Class 14. Public garages and hangars.
- Class 15. Penal institutions including institutions where inmates are under restraint.
- Class 16. Educational institutions.
- Class 17. Piers, wharves and docks including coal and ore docks.
- Class 18. Builders' risks.
- Class 19. Warehouses—general storage including cold storage warehouses not connected with packing plants.
- Class 20. Cold storage warehouses not connected with packing plants.



## Turbines are keeping late hours these days

If you'd been on the go, day and night, since Pearl Harbor, you'd feel pretty tired and run down, too. That's why, now more than ever, turbines and other power equipment should have regular inspections of the kind afforded by Hartford Steam Boiler.

Here is a need and an opportunity. Many agents are adding appreciably to their income by writing Hartford Steam Boiler policies. They find that the Special Agent of the Hartford Steam Boiler is able and eager to work shoulder to shoulder with them in getting these risks on their books and in servicing them afterwards.

Hartford Steam Boiler has the largest field staff of specialists in the nation (both Special Agents and Inspectors) whose time is devoted solely to power-plant protection. This staff draws upon the experience gained by the Company in seventy-nine years of concentration on this one specialized line.

Are you getting your share of this desirable business for your Agency? The Hartford Steam Boiler Special Agent can help you to outline a planned program. Never was the opportunity greater.



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For Power-plant Insurance, It Pays to Choose the Leader

1886—OVER A HALF CENTURY OF SERVICE—1944

## The North American Accident Insurance Co.

209 So. LaSalle St., Chicago, Illinois

Oldest and Largest Company in America Writing Accident and Health Insurance Exclusively

District Managers and Representatives WANTED

Geo. F. Manselmann, President

A GOOD YEAR TO CONNECT WITH A GOOD COMPANY

20. Warehouses—grain, beans, seeds. Class 21. Warehouses—wool, cotton, fibres including cotton compresses. Class 22. Warehouses—whiskey, wines. Class 23. Warehouses—tobacco and barns. Class 24. Grain elevators and warehouses—terminal. Class 25. Grain elevators and warehouses—country. Class 26. Lumber yards, coal and wood yards, etc.

#### IV—Manufacturing Risks (Buildings and Contents)

##### Group 4—Food and Kindred Products

Class 27. Dairy products including ice cream manufacturing. Class 28. Meat packing and curing including stockyards. Class 29. Fish products—packing, canning and curing. Class 30. Grain milling and cereal factories. Class 31. Bakeries and confectionery products including cracker, cake, macaroni and chewing gum factories. Class 32. Canning and preserving of foods (except meat and fish packing, canning and curing). Class 33. Sugar, molasses and syrup refining. Class 34. Beverages not made in distilleries, breweries or wineries. Class 35. Breweries including malt and yeast manufacturing. Class 36. Distilleries. Class 37. Wineries. Class 38. Tobacco including snuff.

##### Group 5—Textiles—Raw and Finished

Class 39. Cotton gins. Class 40. Cotton, woolen and worsted goods manufacturing; silk and artificial-thread goods factories; weaving mills; carpet factories. Class 41. Embroidery, trimmings, braids, fringes. Class 42. Rope, cordage, threads and yarn manufacturing.

##### Group 6—Clothing and Cloth Goods

Class 43. Clothing factories. Class 44. Millinery and hats. Class 45. Cloth products (other than clothing).

##### Group 7—Furs and Fur Goods

Class 46. Fur dressing, dyeing, blending, sewing.

##### Group 8—Leather and Leather Goods

Class 47. Tanneries including hide processing. Class 48. Patent leather manufacturing. Class 49. Shoe and slipper factories. Class 50. Industrial belting and heavy leather goods. Class 51. Light leather products—gloves, bags, bindings.

##### Group 9—Wood Products

Class 52. Sawmills and planing mills including mill yards. Class 53. Furniture factories, cabinet work, veneer mills and laminated wood factories including mill yards. Class 54. Cooperage—boxes, baskets, crates, broom and brush factories, and cork products. Class 55. Wood preserving plants.

##### Group 10—Paper and Pulp

Class 56. Paper and pulp manufacturing including pulp wood yards and straw yards on premises. Class 57. Paper prod-

ucts including coating and finishing, boxes, tubes, bags, etc.

**Group 11—Printing and Allied Industries**  
Class 58. Printing, newspapers, periodicals and job including book binding. Class 59. Lithographing, photo-engraving and rotogravure printing (not done in printing plant).

##### Group 12—Chemicals and Allied Products

Class 60. Chemical works—mildly hazardous—including manufacture of heavy chemicals, acids, alkalis and salts. Class 61. Chemical works—slightly hazardous—including manufacture of soaps, detergents, sizes, dry colors, pigments, non-volatile insecticides and chemical fertilizers. Class 62. Chemical works—moderately hazardous—including manufacture of pharmaceuticals, drugs and biologicals—electrolytic and electric furnace plants. Class 63. Chemical works—hazardous—including manufacture of volatile insecticides, polishes, cleaners, coal tar dyes, etc. Class 64. Chemical works—highly hazardous—including manufacture of explosives, ammunition, celluloid, synthetic solvents, rubber and plastics.

##### Group 13—Plastic, Bone, Celluloid and Shell Products

Class 65. Plastic, bone, celluloid and shell products manufacturing.

##### Group 14—Rubber Products

Class 66. Light rubber goods and sundries. Class 67. Heavy or industrial rubber products including tires.

##### Group 15—Stone, Clay and Mineral Goods

Class 68. Stone crushing, cutting, quarrying including cement and gypsum plants. Class 69. Industrial abrasives and asbestos plants. Class 70. Plaster products manufacturing. Class 71. Brick, tile and clay products. Class 72. Mining risks (other than coal) including salt works. Class 73. Mining risks—coal.

##### Group 16—Glass and Glass Products

Class 74. Glass and glass products factories (other than as classified below). Class 75. Cut, ground, blown and art glass factories. Class 76. Optical goods and lenses.

##### Group 17—Metalworkers

Class 77. Heavy metalworkers including structural steel, heat treating, foundries and heavy machinery. Class 78. Light metalworkers—machine shops and light machinery and metal specialties including cutlery manufacturing. Class 79. Precision products—watch, instruments, radio parts, jewelry manufacturing.

##### Group 18—Public Utilities

Class 80. Electric traction property including trackless trolleys (excluding auto buses). Class 81. Electric generating stations and auxiliary risks. Class 82. Gas plants. Class 83. Water works, pumping stations, filtration and sewage plants. Class 84. Railroad property.

##### Group 19—Laundries and Dry Cleaning

Class 85. Hand and power laundries. Class 86. Dry cleaning establishments.

##### Group 20—Oil Risks

Class 87. Oil refining—mineral and petroleum—including all property used in connection therewith. Class 88. Casing-head gasoline plants, natural and crude oil pumping stations. Class 89. Distribution and tank wagon stations. Class 90. Oil and gas well properties. Class 91. Non-mineral oil works—cottonseed, linseed, fish, soybean, etc.

##### V—Sprinklered Risks

Class 92. Sprinklered risks (other than manufacturing)—buildings. Class 93. Sprinklered risks (other than manufacturing)—contents. Class 94. Sprinklered risks—manufacturing—buildings. Class 95. Sprinklered risks—manufacturing—contents.

### Commissioners Set Up Yield Test on Bonds

(CONTINUED FROM PAGE 3)

are a good investment medium and that insurers had an obligation to contribute to the national economy by providing

funds through investment in preferred stock. He contended that under extreme market conditions values are fictitious and advocated a method whereby one-fifth of the difference between actual market value and the previous year's carrying value would be used to determine the current year's carrying value beginning with Dec. 1, 1944 market values as a basis.

Any decision on the matter was reserved.

Dineen of New York presided at the St. Paul meeting of the committee. It was decided to reemploy L. A. Griffin as executive secretary to the committee. The report, which was approved, is given below.

## REPORT GIVEN

### Association Values

Resolved, that for the inventory of stocks, other than of insurance companies and subsidiaries, and bonds in the annual statements of insurance companies, societies and associations as of Dec. 31, 1945, the following basis is recommended as fair market value:

1. That all stocks, other than of insurance companies and subsidiaries, and bonds shall be valued at the market quotation as of Dec. 1, 1945, excepting bonds secured by the full faith, credit and taxing power of political subdivisions of the United States and of political subdivisions of the Dominion of Canada which are not in default as to principal or interest on Dec. 1, 1945. In the case of securities not quoted on Dec. 1, 1945, the latest available information shall be used. Values of insurance companies stocks as of Dec. 1, 1945, shall be published in the Book of Valuations of Securities. These values should be used only in statements filed with those states whose departmental practices or laws require the use of market quotations in determining the values allowable on insurance stocks.

2. That stock valuations shall include accrued dividends on preferred stocks and dividends declared and accrued on all stocks and shall be determined in accordance with the following rules:

(a) Where a stock sold ex-dividend on Dec. 1, 1945, and a dividend is payable in December, the Dec. 1 price is to be used.

(b) Where a stock sold ex-dividend on Dec. 1, 1945, and a dividend is payable on or after Jan. 1, 1946, the amount of the dividend is to be added to the December 1 price.

(c) Where a stock did not sell ex-dividend until after Dec. 1, 1945, and a dividend is payable in December, the amount of the dividend is to be deducted from the Dec. 1 valuation.

(d) Where a stock did not sell ex-dividend until after Dec. 1, 1945, and the dividend is payable on or after Jan. 1, 1946, the Dec. 1, 1945, price is to be used.

3. That where a bond is quoted "flat" on Dec. 1, 1945, and interest is paid in December, the amount of the interest shall be deducted from the Dec. 1, 1945, valuation.

### Amortization of Bonds

Resolved, that, for submission of annual statements to the various state insurance departments as of Dec. 31, 1945, bonds not in default as to principal or interest, which are certified by the insurer submitting the statement to be amply secured, shall be so deemed and shall be amortizable provided they are not income or perpetual bonds and provided they are included in any one of the five classifications described below:

1. All bonds issued, assumed or guaranteed by the United States or the Dominion of Canada and all bonds secured

by the full faith, credit and taxing power of political subdivisions of the United States and of political subdivisions of the Dominion of Canada, which are legal for investment by insurance companies under the laws of the respective states.

2. All corporate bonds and all special revenue bonds of any state of the United States or any political subdivision thereof or any agency or instrumentality of any of the foregoing which on June 1, 1945, were included in any of the four highest grades of any two recognized rating agencies.

3. All corporate bonds and all special revenue bonds of any state of the United States or any political subdivision thereof or any agency or instrumentality of any of the foregoing on which the yields to maturities based on Dec. 1, 1944 and on Dec. 1, 1945, association values do not, in the first case, exceed 2.90%, and in the second case 2.10% plus the yield for comparable maturities of fully taxable U. S. government Treasury obligations at the respective dates. Bonds which were not outstanding on Dec. 1, 1944, shall be deemed amply secured and amortizable if the yield to maturity based on Dec. 1, 1945, association values does not exceed 2.10% plus the yield for comparable maturities of fully taxable U. S. government Treasury obligations.

4. Any bond issued by the same corporation and other corporate bonds and all special revenue bonds of any state of the United States or any political subdivision thereof or any agency or instrumentality of any of the foregoing which, in the judgment of the sub-committee of the committee on valuation of securities, are equivalent in security to those bonds hereinbefore described, provided that satisfactory evidence thereof is either already available or is made available by insurance companies, societies and associations to the sub-committee on or before Sept. 1, 1945, and approved by it.

5. All bonds of foreign governments, foreign subdivisions and foreign municipalities which in the judgment of the sub-committee are amply secured on the basis of the estimated ability of the respective obligors to make during the life of the issue, all contractual payments in the currency or currencies specified and at the places of payment stipulated in the bonds and upon evidence that such payments can be remitted to the United States at the official rate of exchange.

Resolved, that bonds in default as to principal or interest and all corporate bonds and all special revenue bonds of any state of the United States or any political subdivision thereof or any agency or instrumentality of any of the foregoing not meeting the tests described under classification 2, 3 or 4 of the foregoing resolution and all income and perpetual bonds shall be deemed not eligible for amortization and shall be carried in Schedule D, Part 1, Column 16—"Amortized or Investment Value December 31 of the Current Year," and reflected in the admitted assets at the association values as shown in the Book of Valuations of Securities.

### Bonds Payable in Foreign Currency and Rates of Exchange

Resolved, that, where quotations are obtainable, values of securities payable in foreign currencies shall be quoted in the Book of Valuations of Securities at the appropriate foreign percentage quotation and at the appropriate dollar quotation in the United States. Values based on the foreign percentage quotations should be used by insurance companies in their annual statements only if such companies have substantial policy liabilities payable in the currencies involved and establish an appropriate non-amortized asset on account of the exchange rate at which the assets and liabilities are expressed over the rate of exchange specified herein or if evidence is made available that such securities can be disposed of and the proceeds in such foreign currency can be converted into United States dollars on the basis of such rate of exchange and remitted to the United States; provided, however, that nothing herein contained shall require the rate of exchange used in connection with securities payable in Canadian currency to be other than the rate promulgated by the Canadian Foreign Exchange Control Board. The rates of exchange applicable at Dec. 31, 1945, shall be the rates current at December 1, 1945.

### Oil Production Loans

The sub-committee again gave careful consideration to oil production loans held by insurance companies and on the basis of information before the committee recommends that such loans be included in the Book of Valuations of Securities. That the executive secretary to the committee be instructed to keep a complete record of all such loans and prepare and have available a file on each, including therein a completed questionnaire, engineers reports, legal opinions and all other necessary data for the use of the sub-committee. That the sub-committee will pass on such loans and upon inquiry the executive secretary will submit the findings of the sub-committee to the various state insurance department officials and to insurers holding the particular issue.

Resolved, that the Book of Valuations



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# AMERICAN

## RE-INSURANCE CO.

Robert C. Ream, President

99 John Street, New York 7, N. Y.

DECEMBER 31st, 1944

CAPITAL . . . . .	\$2,000,000.00
Surplus . . . . .	8,296,510.25
Surplus to Policyholders . . . . .	\$10,296,510.25
Voluntary Contingency Reserve . . . . .	750,000.00
Reserve for Losses . . . . .	6,416,800.46
All Other Liabilities . . . . .	4,004,240.19
<b>TOTAL ADMITTED ASSETS</b> . . . . .	<b>\$21,467,550.90</b>

NOTE: Securities carried at \$503,479.64 in the above statement are deposited as required by law.

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of Securities to be published in January, 1946, shall be prepared in accordance with the foregoing resolutions and contain a notation against each bond to indicate whether it is or is not amortizable.

#### Instructions to Insurance Companies, Societies and Associations

Acquisitions made in December, 1945. Stocks and bonds acquired in December, 1945, and not listed in the Book of Valuations of Securities should be valued at not exceeding cost and the company reporting any such stock or bond should be required to be prepared to justify the value at which carried.

Amortizable bonds on which no values are printed in the book. All bonds secured by the full faith, credit and taxing power of political subdivisions of the United States of America and of political subdivisions of the Dominion of Canada which are not in default as to principal or interest on December 1, 1945, and all amortizable bonds, on which no values are printed in the Book of Valuations of Securities, the amortized values should be entered in the "Market Value" column of Schedule D, Part I as well as in the "Amortized Value" column. Bonds not amortizable on which values are printed in the book. That when a bond is indicated as not amortizable, the value shown in the book should be entered in Schedule D, Part I, Column 16 unless that value is in excess of the current amortized value, in which case the latter should be entered.

United States Savings Bonds. The following values shall be used for United States savings bonds in Schedule D, Part I.

1. Market Values—Series "A", "B", "C", "D", "E", "F", "G". The redemption value at date of statement to be entered in the "Market Value" column (col. 7).

2. Amortized Values—Series "A", "B", "C", "D", "E", "F", "G". The value to be entered in the "Amortized Value" column (col. 16) shall be, (a) the redemption value with no entry for accrual of interest in column 9, or (b) the actual cost if the company does take credit in column 9 for the difference between cost and redemption value, or (c) the value computed on a pro rata accumulation of discount or an effective rate accumulation of interest with no entry in column 9.

3. Amortized Values—Series "G". The value to be entered in the "Amortized Value" column (col. 16) shall be the par value with the interest received and accrued entered in column 9.

Deductions from Admitted Assets on Account of Interownership of Insurance Companies Stocks. Stocks of the company itself, owned by it, or any equity therein or loans secured thereby, or any proportionate interest in such stock through the ownership of such company of an interest in another firm, corporation or business unit shall not be an admitted asset.

Valuation of Stock of a Subsidiary Company. The stock of a subsidiary (other than an insurance company) of an insurer shall be valued on the basis of the value of only such of the assets of such subsidiary as would constitute lawful investments for the insurer if acquired or held directly by the insurer.

Determination of Amortized Values of Bonds Received Under Reorganizations. The amount entered in the actual cost column of Parts I and II of Schedule D, for bonds and other securities received in exchange under reorganization, shall be based on the actual market quotations on such bonds and other securities at the time of acquisition of such bonds and other securities.

Mortgages Insured Under the National Housing Act. Companies shall be allowed to take credit for the amortized value, on a five year basis, for the premium paid on a mortgage insured under the National Housing Act.

Premium Paid on Real Estate Mortgage Loans. In the December 31, 1945, statements, the book values of real estate mortgages acquired at a premium may be reported at values reflecting write-offs of such premiums over a three year period from date of acquisition.

General. Resolved, that in order to meet any unforeseen conditions which may arise, the committee on valuation of securities shall have full power to amend the resolutions regarding market and amortized values which have been adopted at this meeting. Such amendments shall become effective immediately upon their approval by the executive committee of the association.

Resolved, that the sub-committee of the committee shall have full charge of the valuation and amortization work including disposition of unusual situations not adequately covered by the foregoing resolutions.

Resolved, that in cases where the condition of insurance companies, societies and associations may require the immediate disposition of securities, it is recommended that the discretion of the state supervisory officials of insurance should be exercised to vary the general formula herein set forth, so as to adopt prices reflected by the exchanges.

Special Classes of Securities

Bonds of the Empire of Japan and political subdivisions thereof and countries occupied by the armed forces of the Empire of Japan and corporations of such countries have been treated as valueless.

The Sub-Committee had insufficient in-

formation to determine that certain bonds were amortizable and had no information as to suitable market value. In some cases no information whatsoever was available. It is the recommendation of the Sub-Committee that such bonds should be entered in annual statements at market value and that the company reporting any such bond should be required to be prepared to justify the value at which carried.

All privately purchased bonds were considered. Where adequate information had been submitted by owners of such bonds, determination was made as to amortizability on the basis of probable market price or probable rating. If determined as not amortizable, and sufficient information was available, prices were established by comparison of such bonds with similar marketable issues.

#### Subcommittee hearings

The sub-committee of the committee on valuation of securities held an informal hearing May 7, 1945, on the subject of valuation of income and perpetual issues and preferred stocks. Present at the hearing were Commissioner Charles F. J. Harrington (Mass.) chairman; Superintendent Robert E. Dineen (N. Y.); W. Harold Bittel (N. J.) actuary; Deputy Superintendent Shelby C. Davis (N. Y.); Edward J. Reilly (N. Y.) chief of the audit bureau; Leslie A. Doolittle (N. Y.) and L. A. Griffin, executive secretary. Representing the life insurance companies were Sherwin C. Badger, New England Mutual Life; George N. Emory, Home Life; Stephen M. Foster, New York Life; Donald B. Woodward, Mutual Life of New York; A. A. Tousaw, Sun Life of Canada and Bruce Shepherd, actuary, Life Insurance Association of America. Mr. Badger represented his own company, while Mr. Emory is chairman of and Mr. Foster and Mr. Woodward are members of the sub-committee of the joint committee on the valuation of preferred stocks of the American Life Convention and the Life Insurance Association of America.

Mr. Badger presented the views of the life insurance companies in respect to income and perpetual issues, pointing out the need for broader investment opportunities by the life insurance companies and the increasing prevalence of income issues in the market as a result of railroad reorganizations. He stated that, due to present war conditions, senior fixed interest bonds were being retired and that in effect income issues were becoming the senior obligations. He said the insurance companies were receiving income issues in reorganizations and that, as the quality of such issues were showing marked improvement, the insurance companies are interested in purchasing additional issues. However, as income issues must be carried in the companies' statements at market value, the carrying value is subject to much fluctuation with a resultant tendency toward fluctuation of surplus. Life insurance company investment is on a long term basis and accordingly market values as of any specific date are not always a true indication of value. If some other method of valuation could be devised, then life insurance companies could increase their holdings in such issues without showing temporary fluctuations.

Mr. Emory discussed the valuation of preferred stocks. He also stressed the scarcity of investments and stated that preferred stocks were a good investment medium, and that insurance companies had an obligation to contribute to the national economy by providing funds through investment in preferred stock. He likewise contended that, under ex-

treme market conditions, values were fictitious. He advocated a method whereby one-fifth of the difference between the actual market value and the previous year's carrying value would be used to determine the current year's carrying value, beginning with Dec. 1, 1944 market values as a base. Supporting charts were submitted.

Commissioner Harrington stated early in the hearing that the policy of the sub-committee of the committee on valuation of securities has been to get the true picture in the valuation of securities, and that emergency methods were applied in extreme conditions. Superintendent Dineen raised the point that legal requirements for valuation in the various states must be considered, and suggested that Mr. Shepherd of the Life Insurance Association of America might investigate that aspect. Superintendent Dineen also suggested that the charts cover a broader range of years. Mr. Woodward of Mutual Life of New York stated that such material was being gathered and would be presented when completed.

The use of security fluctuation reserves was discussed and those present indicated that perhaps some such reserve method might solve the problem.

Any decision on the matter was reserved. It was agreed that the representatives of the insurance companies should study and advise the sub-committee on the legal aspects existing under the various state laws. Also it was agreed to broaden the scope of the charts so as to include a wider range of years.

In general the sub-committee feels that the companies did not explore the quality classifications of the securities involved. The point was raised that the fundamental philosophy of life insurance investments was being called into question and for that reason any change in the method of valuation of securities might better be brought about by legislative action.

It is believed that additional hearings before the sub-committee may be desired. However, the companies are to provide sufficient copies of the material sub-commissioner of each state.

#### N.A.I.C. Back on Pre-S.E.U.A. Basis at St. Paul Meeting

(CONTINUED FROM PAGE 10)

The committee on interstate rating held an animated but necessarily inconclusive session Wednesday morning prior to the holding of an executive session of the executive committee. The election meeting was not scheduled until late Wednesday afternoon.

Forbes of Michigan presided at the interstate rating meeting. J. R. Berry, National Board, said his organization has drafted a suggested provision as to taxation of premiums where an average rate is used and he contended that a tax provision should be contained either in the rating or the tax laws in each state.

A. V. Grunh, American Mutual Alliance, said the problem is by no means one solely of taxation. So long as some

states have effective rating laws and others do not, the practice of cutting rates in the open states to equalize the entire premium cost for an assured will be used. Illegal underwriting practices are involved in the problem.

Fischer of Iowa contended before the matter of governing interstate risks is tackled, proper regulations governing intrastate risks must be perfected. He said there is today no such thing as a model rating law.

#### Urges National Rating Bureau

J. R. Barry, Corroon & Reynolds, made a plea that the states refrain from tying the American market's hands and feet so that it can't compete with London Lloyds and with the self-insurance route. If the states would agree to take taxes on interstate risks on the basis of the average rate, 90% of the problem would be solved, he averred. The large buyer has to be given the same advantage in buying insurance that he enjoys in purchasing other things. There should be a national rating bureau, of which every state would be a member, he argued.

Scheuffer of Missouri asked whether, if there were a national bureau, the federal government would not get the tax.

Thompson of Oregon advocated a national rating organization that could be recognized by every state and that could be examined just as is an insurer through the zone system.

Hugh Harbison, Travelers, observed that the industry casualty rate bill makes interstate rating permissible. The problems involved are those of the kind of its administration. The more rating laws that are enacted, the greater is the necessity for viewing every national risk on a national basis.

#### Garrison Comments

Garrison of California said provision must be made for free functioning of interstate underwriting and he said he favors a national organization that would be free from the restrictions of state laws.

S. A. Markel, American Fidelity & Casualty, declared that he favors rate regulation and to get it requires intellectual honesty. He said at one time his organization tried to follow bureau rates on trucks and buses but found that it was undercut by bureau companies through the equity rating method. He said experience rating is the most practical method and the mileage basis is used.

The mere requiring a company to make individual rate filings is not rate regulation, he contended.

The committee to select a successor to C. W. Hobbs as the commissioners'

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representative on the National Council on Compensation Insurance several times during the week reported that it was not yet ready to make a statement. Early Wednesday afternoon, the lobby gossip was that the committee had concluded it may no longer be necessary to have such a functionary. It is assumed that the National Council will become the licensed rating bureau in a great many states and it will not be necessary for the commissioners to be officially represented, as it was when the National Council was more of a voluntary inter-company organization.

At a meeting of the hospitalization committee Wednesday morning, it was the consensus that all hospital associations should come under the jurisdiction of the insurance departments.

Neel of Pennsylvania said that the Blue Cross would shortly announce there will be nation-wide reciprocity for members of all its associations. Thus if an Illinois member of a Blue Cross organization becomes ill in New York he can receive hospitalization in New York or any other state.

The executive committee at an executive session Wednesday morning authorized the appointment of a subcommittee to study the recommendation of President Johnson that a central headquarters organization be set up.

The special committee recommended that the N.A.I.C. continue its close relationship with the National Council on Compensation Insurance and that the council representative be a lawyer, actuary and C. P. A. This is tied in with the central headquarters idea.

The convention session Wednesday afternoon heard a talk by Col. Reece Hill of the War department insurance division.

## Patterson Attacks Proposed Rate Laws

Restating his previous position, Otto Patterson, St. Louis, executive vice-president American Automobile, has issued an open letter opposing the present trend toward uniform state rating laws. Mr. Patterson maintains that the effect of these laws will be to put insurance under complete bureaucratic control, arrest progress and ultimately give mutuals an unfair competitive advantage. He also claims that they are not needed to comply with the U. S. Supreme Court decision in the S.E.U.A. case, which held only that insurance is interstate commerce.

### Insurance Building Elevators Stop

Elevator service in the Insurance Company of North America Building in New York City was largely shut down Wednesday by a strike of elevator operators. The girls struck in protest at the war labor board's failure to grant a wage increase that had been under negotiation since January. The increase was scheduled to come through this week and when it failed to do so the operators walked out. Partial service was maintained with one express and one local elevator. In addition to North America's New York office, the building houses a number of home offices, association headquarters, agencies, brokers, adjusters, and other types of insurance offices.

## 80% of New York Autos Are Now Insured

Clifford V. Fletcher, New York motor vehicle commissioner, estimates that 80% of automobiles in that state are now insured. This compares with 30% before enactment of the financial responsibility law.

## No B. I., P. D. Rate Change Expected

Automobile B. I. and P. D. experience will be closely watched by the National Bureau of Casualty & Surety Underwriters to determine whether the extra gasoline that A and B card drivers will get after June 22 warrants any change in rates. Present belief is that even though the increase means 50% more gasoline for A drivers and substantial increases for B drivers the added amount of driving will not be enough to warrant a change, despite the steady increase in accident frequency and average claim costs on both P. I. and P. D. P. D. has been particularly bad because of the high cost of repairs.

One reason for hoping that the increased gas allowance will not make the experience very much worse is that so many A and B drivers are already doing far more driving than their coupons entitle them to. As one underwriter put it, "they won't do much more driving than they're doing now but they'll pay less for gas."

Another reason for not wanting to effect a rate increase is that new rates would at best be an interim measure since any plan based on rationing will have to be scrapped after the Japanese war ends and restrictions on the use of gasoline are removed.

What the basis for automobile liability rates should be after rationing is removed has been the subject of discussions but no specific proposal has been worked out thus far.

## Auto, Fire Policy, and Rate Study Bills Progress in Ill.

SPRINGFIELD, ILL.—The Illinois senate has passed the automobile financial responsibility bill and sent it to the house where the insurance committee will take it up next week. This is a bill of the New York type.

The bill giving the insurance director authority to approve fire forms, rules and rates, provide for concurrency, etc., has progressed to second reading in the house.

The bill to authorize assignment of fire risks to a pool when assured could not get coverage is now regarded as dead.

The bill providing for an interim commission to study premium tax and rating matters was passed by the senate and will come up for consideration in the house next week.

### St. Paul-Mercury B.B. Rates

ST. PAUL—The new bankers blanket bond rates of St. Paul-Mercury Indemnity, one of the important non-Towner companies are 5% below the Towner level.

## Commissioners May Sponsor Own Model Casualty Rate Bill

ST. PAUL — A movement was launched here at the N. A. I. C. meeting to have the insurance commissioners draft a casualty rating bill of their own. This might very well be in conflict with the industry bill which has been enacted in Tennessee, Arizona and other states.

The proposal was advanced at a meeting Tuesday afternoon of the casualty and surety committee by Harlan Justice, West Virginia deputy. In making the suggestion he said it is imperative for the West Virginia department to have a rating bill ready for the 1947 legislature. In the discussion there was considerable resentment expressed that the state officials have been required to look to the industry for help in framing regulatory measures.

The committee decided to appoint a subcommittee to work with the industry in the development of a uniform bill.

Inasmuch as the executive committee has already appointed a sub-committee on rating, which has been actively engaged in discharging its functions, and, further, in view of the fact that meetings have been held and a great deal of work already carried on; it would seem that the appointment of a subcommittee by the casualty and surety committee is in conflict with the action already taken by the executive committee and its subcommittee on rating, the report stated.

### Mich. Auto Group Elects

LANSING, MICH.—Officers were reelected and accomplishments of the first year of the Automobile Insurers Safety Association of Michigan were reviewed at the annual meeting of the organization here today. The association was formed last year by automobile insurers.

Maxwell Halsey, director of the state safety commission; Capt. Caesar J. Scavarda, head of the traffic and safety division of the state police, and Carl Monagle, head of the traffic and planning committee of the state highway department, attended the session and praised the safety activities of the insurance companies and support given the safety movement in Michigan.

The governing committee reelected consists of L. P. Dendel, Michigan Millers Mutual Fire; Ray Duncan, Hawkeye Casualty; John Kerper, Employers Mutual Casualty; William E. Searl, Auto-Owners, and E. H. Brink, Preferred Automobile. The committee reelected Mr. Brink president; Mr. Searl, vice-president, and Mr. Kerper, secretary-treasurer.

### Complete N. J. Rate Body

The Fire Insurance Rating Organization of New Jersey was formally organized at a meeting Wednesday. The governing committee nominations carried in last week's edition were elected. The committee was empowered to complete the organization, levy assessments on the basis of gross direct premiums, less return premiums, etc.

## Moorhead in Charge in New England

W. Wallace Moorhead, who has been temporary manager of New Amsterdam Casualty in Boston, has been appointed resident vice-president in charge of the New England branch office of the company with headquarters there. He has also been named vice-president in charge of the agency department of U. S. Casualty. Mr. Moorhead is widely known in the casualty field.

James G. Shaw has been appointed by Mr. Moorhead as assistant manager and will give particular attention to production. Richard E. Savory will continue as manager of the Boston branch office

and will handle all fidelity and surety matters in New England. Arthur Levy will continue in charge of the claim department.

## Small Town Minn. Agents Told of Marine, Casualty Prospects on "Main Street"

MINNEAPOLIS—The notion prevalent among small town agents that there is not enough inland marine business for them to bother with is being corrected through an educational program being put on at agents' regional meetings.



J. R. Brink

The program is being provided by the Minnesota Association of Insurance Agents under the general title, "Prospects on Main Street." In addition to inland marine, the program also covers casualty lines for the small town agent.

Joseph R. Brink of the Thomas G. Linnell Co. general agency, Minneapolis, is handling the inland marine phase and Edgar R. Barton, assistant Minneapolis manager of U. S. F. & G., the casualty end. A hypothetical multiple occupancy building in a small Minnesota town is used and the possibilities of getting business from the tenants of such a building are outlined.

A hardware store, for example, might buy an installation floater, installment floater, parcel post, owners cargo or processor's floater. It also has farm equipment prospects.

For a jewelry store, agents are advised to offer jeweler's block, parcel post, deferred payments, neon sign and street clock, registered mail and express and individual jewelry prospects. Other tenants with similar or other sales opportunities in such a multiple building would be a drug store, doctor's office, hotel, hotel guests and salesmen.

In the casualty line, tenants might buy comprehensive liability, automobile comprehensive, compensation, burglary, glass and personal liability. The course is making quite a hit with the agents and before the end of the year is expected to be made available to all regionals in the state.

## New Burglary Statistics Booklet Is Ready

Copies of the 1945 edition of "Why You Need Burglary Insurance Protection" are now off the press. This 12 page booklet summarizes the Federal Bureau of Investigation's 1944 crime report which shows increases in most respects. Charts and illustrations are used so that the significance of the figures is understood at a glance. Coupled with the recent reduction in commercial burglary rates, the booklet provides strong sales ammunition. Samples and prices can be secured from THE NATIONAL UNDERWRITER, 175 West Jackson boulevard, Chicago 4, Ill.

### Accountants Outing June 15

NEW YORK—The Insurance Accountants Association will hold its annual all day outing June 15 at Indian Point. The trip will be made on a Hudson River steamer and dinner will be served on the return trip.

James Brettell & Son have sold their agency at Mingo Junction, O., to John Valuska, local agent there.

### CONNECTION DESIRED BY

Individual who has for 20 years, in one mid-western State, successfully promoted and supervised field and office for bond and casualty lines, also fire and marine. For reference, the record will speak for itself. Address Box B-57, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

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**Shows Rates**

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# INSURANCE NEWS BY SECTIONS

## MIDDLE WESTERN STATES

### Shows Fallacy of Fixing Rates on Class Statistics

Speaking before the Rotary Club of Newark, O., Eugene F. Gallagher of the Ohio Inspection Bureau cited the recent Blaw Knox fire in Columbus as evidence of the fallacy of attempting to establish rates upon classified experience.

"Here was a large metalworker engaged in manufacturing important war material," Mr. Gallagher said. "An employee attempted to light a cigarette with an ordinary household match, but the head broke off and landed in a pile of sawdust and shavings which had been soaked with a flammable liquid. The resulting fire was soon beyond control, its spread being accelerated by the asphalt-asbestos roof."

"What would the proponents of rating by class statistics do with this loss? To begin with, the loss is approximately three times the total average annual premium from the entire metalworking class in Ohio. It could not be considered with relation to rate levels on metalworkers without having a material effect. But why should the metalworking class be saddled with this loss? The loss was caused by careless smoking, questionable housekeeping, and a type of roof construction which served to spread fire with great rapidity. None of these factors which affected the origin or extent of loss is peculiar to the metalworking class. Should rates on other metalworkers be increased because the chain of circumstances which produced this loss happened to take place in a metalworker instead of in a woodworker? Isn't it obvious that the real basis of equitable rating is the measurement of potential fire hazard—not the attempt to collect from a comparatively small class the money to pay for last year's losses."

### Three Veteran Members of Lansing Agency Honored

LANSING, MICH.—Three women members of the agency staff were honored for their long records of service at a unique "office party" given by the Dyer-Jenison-Barry Company-Lansing Insurance Agency organization.

The occasion was the 30th anniversary of Mrs. Mabel Zeiss, underwriter. Miss Mina Karkau, vice-president of the agency, with 38 years' service, and Miss Mabel Scherer, underwriter, 22 years', also were honored. All were presented "dollar-a-year" gifts on behalf of the agency by Ralph Goodell, secretary, who became actively connected with the organization the same year as Mrs. Zeiss. They also received gifts and tributes from Thomas Eggleston, bond manager of Aetna Casualty, Detroit, and Fred Pierson, state agent of American, as spokesmen for several field men.

Twelve members of the organization having an aggregate service record of 216 years were listed by Mr. Goodell. Zelin Goodell, president, leads with 34 years.

Another guest who has been closely linked with the agency throughout his insurance career was Stuart Morgan, state agent of Agricultural, who was observing his 38th anniversary with that company.

### Must Pay for Protection

MADISON, WIS.—Towns having no fire fighting apparatus or furnishing no protection by agreement with some other town, village or city, will be compelled to pay for fire service rendered on request to other townships under a bill passed by the Wisconsin legislature.

The measure was supported by town mutual insurance companies. It was pointed out that less than 15 per cent of the 3,000 rural townships in Wisconsin have fire departments or service contract arrangements with other departments. Much of the rural fire loss was blamed not on an unavailability of fire departments, but rather because there has been no arrangement or guarantee to take care of the cost of calls to neighboring fire departments from outside their own territory.

### May Test Ohio Rule Changes

COLUMBUS, O.—It is hinted that suit may be filed here to test the insurance superintendent's insertion in license rules the term "solicitors" after "agents" and the lowering of the age limit to 18 years for men who had been honorably discharged from the army.

What was expected to be a mere formality in the changing of the rule turned into quite a lively discussion in the office of the superintendent, representative of one company and automobile dealers contending that the superintendent had no authority to add to the qualifications, since the qualifications are set forth in the general code. They argued that the rule was unreasonable inasmuch as it applied to new applicants only and held that it violated the due process clause of the federal constitution.

### Big Increase in Mo. Membership

ST. LOUIS—The Missouri Association of Insurance Agents now has a paid up membership of 483, an increase of 53 1/3% compared with this time in 1944, Bennett G. Gregory, executive secretary, who also is executive manager of the Insurance Board of St. Louis, announced. There are about 50 additional members in process of complete enrollment, which will bring the total to 533.

Edmund J. Boyce is chairman of the membership committee, which in cooperation with Executive Secretary Gregory has been so successful in increasing the membership this year.

### Warren & Co. Agency Honored

DETROIT—A special anniversary commendation was presented to Homer Warren & Co. by Phoenix of Hartford, celebrating 40 years of continuous representation. The commendation was received for the agency by J. A. Grow, vice-president in charge of the insurance

### New President of Cleveland Board

John L. Meyer, the new president of the Insurance Board of Cleveland, is assistant vice-president and director of Brooks & Stafford agency. He has been a trustee and vice-president of the Cleveland Board for the past two years. He was with Hartford Fire from 1924 until he went into the local agency business in 1942. With Hartford he served as engineer, state agent and production superintendent in the middle western field. He is a graduate of Purdue and served in the 2nd engineers in the last war.



John L. Meyer

department, who is a past president of the Detroit Association of Insurance Agents.

### Not Much Crop Hail Damage

MINNEAPOLIS — Notwithstanding a series of severe rain and hail storms in Minnesota the last week in May, actual damage to crops has not been too severe, adjusters report. Unseasonable cool weather has retarded grain crops so that they were not far enough advanced to be hurt.

Turkey underwriters report some claims coming in but say that the losses have hit the growers more than the insurance companies.

### Responsibility Law Discussed

ST. PAUL—At the quarterly meeting of the Insurance Agents Association of St. Paul, the administrative angles of the new Minnesota financial responsibility law were discussed by E. P. Lee, super-state highway department. The N.A. I.A. 100-hour course certificate was presented to Mrs. Fern Anderson by L. D. Engberg, chairman of the education committee of the local board.

### Hold Minn. Meeting in August

MINNEAPOLIS — The Minnesota Association of Insurance Agents will hold its annual meeting the latter part of August but will plan it to conform to ODT regulations. Roy Mitchell, South St. Paul, chairman of the convention committee, has been authorized to make such arrangements as are necessary, the meeting to be in the Twin Cities.

### Graham to Talk at Indianapolis

James R. Graham, Chicago, western manager of United States Aviation Underwriters, will address a dinner meeting

of the Indianapolis Board June 11 on "Aviation Insurance." Arrangements for the meeting are being made by John F. Lance, chairman of the committee, assisted by Sidney Mahalowitz.

### Plaisted St. Louis Board Speaker

ST. LOUIS—Frank Plaisted, St. Louis general agent of Aetna Life, will address the Insurance Board of St. Louis June 13 on "Making 'Life' Easy."

### NEWS BRIEFS

Philip E. Jester will continue as head of the insurance department of the Jester & Son agency, Des Moines, and will not report for induction into the army due to the 30 year age limit. He is president of the Des Moines Association of Insurance Agents and executive committeeman of the state association.

The KC-Jones Club, employe organization of the K. C. Fire & Marine, and R. B. Jones & Sons, held its annual spring party, with a buffet supper, a one-act play and dancing. About 150 attended.

The annual outing of the Valparaiso (Ind.) Insurance Board will be held June 14. Fieldmen of the agencies represented in the board are invited to attend.

Miss Clara MacCubbin, U. S. F. & G., Baltimore, first vice-president of the National Association of Insurance Women, was a guest of the officers and committee chairmen of the Insurance Women's Association of Kansas City at a luncheon. She is making an extensive trip throughout the southwest.

L. J. McDonnell, Michigan state agent of American, will speak on the personal property floater to the members of the Detroit Insurance Women's Club at a dinner meeting June 12.

The Björn agency, Stoughton, Wis., operated by the late John H. Björn from 1929 until his recent death, will be continued by Mrs. Björn.

## EASTERN STATES ACTIVITIES

### R. I. Gives Rules for Making Transition to New Policy

Commissioner Carroll of Rhode Island has notified insurers that from June 30 of this year until July 1, 1946, they may use up existing stocks of old policies by attaching an endorsement setting forth that the provisions of the 1943 New York standard fire policy which was recently enacted as standard for Rhode Island shall apply. After July 1, 1946, the contract used must be the new standard.

Moreover Mr. Carroll asks the companies to sign an agreement to interpret policies with an inception date prior to July 1, 1945, in accordance with the provisions of the new standard policy.

### Foster Leaves Field to Form Agency at Erie, Pa.

W. Whitley Foster, state agent in Indiana for Atlas, has resigned to start a local agency in Erie, Pa. Mr. Foster has been with Atlas for the past three years in Indiana and previously was in the field with Home in that state.

Mr. Foster was born in Erie. He is the son of W. S. Foster, retired associate western manager of North America. The elder Mr. Foster was located in Erie with W. B. Flickinger at one time in charge of North America's department there.

### Jersey City Agency Marks 75th Anniversary

The Van Houten & Sherwood general agency of Jersey City is marking its 75th anniversary in business. The firm

was established in 1870 by Edwin Van Houten and Louis Sherwood. William F. Turner is now president; John Rosamond, vice-president; Dorothy L. Meyer, secretary.

### Del. Agents' Parley on Financed Accounts June 7

The Delaware Association of Insurance Agents will have a luncheon meeting of the membership and interested agents June 7 at Pleasant Inn, Dover. Oscar H. West, manager of the Washington office of the National association, will speak. The main subject the association will discuss is financed accounts.

### NEWS BRIEFS

Acting President Ann E. Waugh of the Federation of New York Insurance Women's Clubs has called the mid-year meeting of the executive board to be held June 9 at Hotel Wellington, Albany. The Insurance Women of Albany will act as hostesses at lunch and dinner.

George W. Scott, educational director of the National Association of Insurance Agents, presented certificates to 10 graduates of the N.A.I.A. 100-hour course at the men's night dinner of the Insurance Women of Albany, which sponsored the study course there. The total number of graduates of the N.A.I.A. educational program throughout the country now is 94.

2nd Lt. Dennis J. McLaughlin, son of Edward F. C. McLaughlin, New York broker, was wounded over Wessel, Germany, and has been awarded the Purple Heart. Lt. McLaughlin has been returned to his squadron. Lt. McLaughlin is assistant secretary of Edward F. C. McLaughlin & Co.

## IN THE SOUTHERN STATES

### Action on Richmond Auto Self-Insurance Deferred

RICHMOND—Action on an ordinance pending before the finance committee of city council of Richmond, proposing that the \$290,000 fire insurance now carried be transferred to a general self-insurance fund and that \$10,000 annually be added to it to make the city a self-insurer for automobile liability also, has been deferred so that the city attorney can be given an opportunity to look into legal aspects of the measure. Insurance men appearing before the committee argued that the city could ill afford to assume the risks of self-insurance because its liabilities are so closely grouped. In the case of automobile risk, it was argued, the city has not taken into consideration that to investigate claims alone would cost \$10,000 a year. Since the \$10,000 provided as an annual appropriation for automobile liability is exactly equal to the \$10,000 estimated to be an adequate cost of claim investigation service, the insurance men argued that it would appear that either the city will have a proper claim service and no funds for losses or no service, in which case claims necessarily would be greater.

"Without investigation you have no defense," they pointed out, "and without defense you write a blank check or claim immunity and have disgruntled citizens."

Among those appearing before the committee were Claude D. Minor, president of Virginia Fire & Marine; Theo W. Kelley, president of the Insurance Exchange of Richmond; Irving Markel, vice-president of American Casualty & Surety; Hunter M. Gibbons, state agent

of Home, and Alton D. Fonville, Richmond manager of New Amsterdam Casualty and president of the Virginia Association of Casualty & Surety Underwriters.

### McCormack at Joint Meeting

JOHNSON CITY, TENN.—"The agents are the trustees of the immense sum of money paid by the American public every year (\$80 million in Tennessee alone) in insurance premiums and it is their duty to see that every policyholder gets full value in insurance protection and in service. So long as this duty is fully met, the American agency system will continue to exist," Commissioner McCormack told a joint meeting here of local agents of Johnson City, Kingsport, Elizabethton and Bristol. C. P. Edwards Jr., Kingsport, president Tennessee Association of Insurance Agents, presided and introduced the commissioner. Proposed plans for co-operative financing of automobile premiums through local banks were presented.

### Virginia Mutuals Elect

New officers of the Virginia Association of Mutual Insurance Companies elected at its annual meeting at Staunton, are: D. N. Myers, Leesburg, president; J. V. Rader, Troutville, vice-president; J. H. Halston, Harrisonburg, secretary-treasurer.

Ben Jack Cage, head of Jack Cage & Co., general agency at Houston, Tex., is now back on his insurance job after spending 3½ years in the army forces as a captain.

an item in a dwelling policy are exempted from the rule requiring all items of a policy to be insured under the extended coverage endorsement when attached. When foundations, excavations and architects fees are covered under coverage of the extended coverage endorsement they may be included in the vandalism and malicious mischief coverage without additional charge. A special construction rate for vandalism insurance on dwellings has been set at 10 cents annually.

A revised, extended coverage endorsement No. 3 is now in use. The windstorm section does not exclude awnings and property outside of buildings, as did the old form. The old bridging the gap clause is omitted, since there is no fallen building clause in the 1943 New York fire policy in use in Washington. The new form covers such explosion of steam boilers and pressure containers unless the apparatus is owned, operated or controlled by the insured or is in buildings described in the policy. The new form further specifies that there is no coverage for explosion loss maliciously caused to boilers, pressure containers, and machinery unless the result of explosives which are not excluded under the war risk exclusion clause of the endorsement.

### Royal's Office on Coast Observes 100th Anniversary

SAN FRANCISCO — Royal held open house Thursday and Friday, when California insurance people and many policyholders called at the Pacific Coast department headquarters to compliment the company on its 100th anniversary. The large offices, particularly the tenth floor of the Royal building, were a mass of flowers. Manager Ray Decker and Assistant Managers C. L. Larsen and William G. Rich served as a reception committee. General agents and managers of other companies, agents, brokers and other company specials, organization executives and a number of the city's business leaders were among those calling on Royal's coast officials.

Royal has played an important role in the development of fire insurance and other business on the Pacific Coast since 1853 when its first agency was established in San Francisco. Most of its past managers and assistant managers have been prominent in civic and political affairs for 50 to 60 years, including such outstanding insurance and civic leaders as the late Rolla V. Watt, John T. Fogarty, F. B. Kellem, H. R. Burke, Thomas H. Anderson and others. Ray Decker, present coast manager of Royal-Liverpool, succeeded Mr. Anderson on his retirement. Mr. Decker had been with Home, coming to San Francisco as assistant manager to the late Harry Roff and later as manager. The San Francisco office has also been prominent in educational activities, contributing several executives who became active leaders in these efforts through the Fire Underwriters Association of the Pacific.

### Hunter Brown to Speak at Wash., Oregon Meetings

Hunter Brown of Pensacola, Fla., vice-president and chairman of the executive committee of the National Association of Insurance Agents, will address the annual meetings of the officials of the Washington and Oregon agents' associations Aug. 20-21 at Seattle and Aug. 23 and 24 at Portland.

Mr. Brown had originally been slated to make the trip to the northwest last year, but W. Ray Thomas substituted for him when Mrs. Brown suffered an accident which necessitated cancellation of his schedule.

### Form Hollywood Claim Office

Frank W. Williams and Mrs. Louise Salter Kanawyer have opened an independent adjusting office at 2009 Pinehurst Road, Hollywood, Cal.

Mrs. Kanawyer for the past four years has been manager of the C. E. Tober-

man Company agency of Hollywood while Mr. Williams has been affiliated with the claim department of St. Paul-Mercury Indemnity at Los Angeles and for several years previously was in the independent adjusting business in Missouri and Kansas.

### C. P. C. U. Study Group in Seattle

SEATTLE—Formation of a C.P.C.U. study group, sponsored by the King County Insurance Association, has been announced by President E. L. Smythe. Mr. Smythe has appointed H. P. Sargent of C. P. Sargent & Co. as chairman of the new group. Five agents already have enrolled.

P. J. Perry has been placed in charge of a committee to reestablish the library of the Insurance Society of Washington.

### Change Idaho Grain Rules

BOISE, IDA.—The Idaho Survey & Rating Bureau has announced a change in rules governing field grain transfers to provide for a specific limit of liability in each warehouse to which grain is transferred. Requirement for watchman clause on mining risks in protected towns was modified, and revision of the classification section made.

### Kossen to Lipman & Esfeld

Carl K. Kossen has left the automobile department of the C. B. DeMille General Agency at Seattle to join Lipman & Esfeld, local agents. Mr. Kossen at one time operated a local agency in Butte, Mont., which he sold on entering service.

### Houston F. & M. Leaves Cal.

Houston Fire & Marine has requested permission of the California department to withdraw from the state. It has been represented by General Agencies of New York, Inc. Its business there has been reinsured in William Penn Fire, also represented in that general agency.

### Now Ritter General Agency

The former Ritter-Monaghan general agency at Denver, covering Colorado, Wyoming and New Mexico, changed its name to the C. H. Ritter general agency recently. It now will be known as the Ritter General Agency.

### Spokane Public Relations Move

The Spokane (Wash.) Insurance Association has launched a public relations program under the guidance of a committee appointed by President C. E. Daly. The committee is headed by E. M. Leonard.

### NEWS BRIEFS

George M. Monson, Mount Vernon local agent, has been appointed district representative in northwestern Washington for the O.P.A. Although he is traveling a good deal of the time, he is continuing his agency.

Insurance Women of Los Angeles have elected these officers: President, Ethel Earley, Dwyer-Cutler Co.; vice-president, Mary Ellen Harper, Associated Indemnity; secretaries, Adelaide Stone, Fireman's Fund, and Ann Monch, Maryland Casualty; treasurer, Alice Leary, Aetna Fire. Genevieve Halliday, retiring president, will install the officers of the Long Beach Insurance Women's Club, June 7.

## MOTOR

### Average Auto Loss in 1944 Is Double That in 1941

Companies, agencies and adjusting organizations have been making comparisons of loss costs in automobile insurance and of course these show a very sharp increase during the war years. One of the large adjusting organizations, for instance, found that in 1941 its average loss automobile-wise was \$62, whereas in 1944 it was \$120. One of the large agencies established that its aver-

## PACIFIC COAST AND MOUNTAIN

### New Consequential Rule in Washington

Among the new rules of the Washington Surveying & Rating Bureau is one for consequential damage insurance on crops, other than hops. Spoilage or deterioration of fruits and vegetables from damage to buildings or equipment used for processing them may be covered under this new rule.

Deviation from the mandatory rental income forms is now permitted by indicating that the rental value of the building as furnished and equipped is covered, if desired. The items of furniture and equipment in question may be specifically listed. Rent coverage may now be written blanket over more than a single property if the policy carries the same average clause as required for covering a single location and a distribution clause.

Trees, shrubs and plants covered as



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age automobile collision loss in 1944 was \$183 which compares with \$144 in 1943.

### Cut on Unencumbered Cars

Automotive of Los Angeles, organized by automobile dealers there, has filed notice that it will write automobile insurance on unencumbered cars at a reduction of 10% from manual premiums.

## MARINE

### Furriers Customers Rate Rise Reported Put Off to Jan. 1

NEW YORK—Revision of furriers' customers' rates scheduled for filing before July 1 under the new New York rating law requiring the filing of inland marine rates may have to be postponed, it is understood, because of the short time left before the deadline in which to work out the comprehensive changes that are desired.

If revisions have to be delayed, the existing rates would be filed with the New York department rating bureau and the revised schedule would be filed to become effective at some later date, probably June 1, 1946. Some inland underwriters feel it would be unfortunate to delay the revisions, which will presumably include substantial increases, beyond July 1, feeling it would be more difficult to get the department to agree to increases than to accept original filings on the higher basis.

### Amer. Aviation & General Opens Marine Department

Harold G. Evans, president American Aviation & General, fire affiliate of American Casualty, has announced opening of the inland marine, transportation and all risks department. Modern policy forms and a handy pocket size rate chart combined with an educational program in the form of an attractive "Inland Marine Producers Guide" will assist representatives to develop business.

The inland marine department will be under the supervision of William H. Hulse at the home office and the western inland marine department in Chicago will be managed by Henry C. Stoll, with headquarters in the branch office in the Insurance Exchange building.

Mr. Hulse for 15 years has been in that phase of the insurance business, except for a short time in the army. He was with Hartford Fire at the formation of its inland department until a year ago when he joined Fire Association at Philadelphia.

Mr. Stoll is an authority on inland marine. During 26 years with Millers National he organized and supervised the inland department. In 1943 he entered the general agency business until November, 1944, when he affiliated with American Aviation & General in charge of these activities at the Chicago branch office.

### Insuring Foreign Hulls Important Step Forward

NEW YORK—Marine underwriters feel that an important step forward was taken when the articles of agreement of the American Marine Hull Insurance Syndicate were revised to permit American companies to assume risks on foreign hulls. The creation of a strong American marine insurance market has been one of the objectives of the Maritime Commission so that American underwriters can take a firm place in the international field when full scale shipping is resumed. They are now in a position to offer, on a competitive basis, coverage on foreign-owned, as well as American hulls. At the present time

there are 85 American subscribers but provision is made for additional companies to join the syndicate in the future. There is a maximum risk capacity of \$2,500,000 per hull. The range of participation is from 1/4 of 1% to 6% of the risk.

At the present time the government still insures the vessels it uses and most of the shipping is for lend-lease equipment or government imports and exports. That business, however, is placed with private underwriters and the premium volume is good. At the same time there has been a slight increase in export movements of commercial cargo through United States ports and the commercial outlook will brighten as the markets expand.

War risk rates are down to about the pre-Pearl Harbor level, but the hazards are not very great. There has been some fear of floating mines in the Atlantic but since V-E Day there have been no casualties from that source and the danger from U-boats is fast being eliminated as all but about 10 have been accounted for to date. Underwriters are not particularly concerned about danger to commercial shipping from the Japanese.

### Curran Heads Field & Cowles Marine Loss Unit

The Field & Cowles agency at Boston has appointed Charles J. Curran head of the marine loss department. The agency is manager for New England of North America. Mr. Curran succeeds A. Henry Smith, who has been with the agency 16 years, and who is being transferred to the marine loss department of North America in the New York office. Mr. Curran will be assisted by Hovey Rand.

### May Issue Ruling on Bailee in Illinois

Insurance Director Parkinson of Illinois is giving consideration to the idea of promulgating as a general ruling instructions that he has been issuing for the past two or three months to laundries and cleaners concerning which complaints as to insurance practices have been received. Apparently as a means of circumventing OPA ceilings some of the laundries and cleaners have been introducing an insurance charge to customers or have increased the amount of charges.

When complaints are received the Illinois department has been notifying the laundry or cleaner that, of course, they are privileged to purchase bailee insurance, but that if a specific insurance charge is billed to the customer, the latter must be furnished with a certificate setting forth the terms of the coverage and the entire amount of the premiums must be remitted to the insurer. If the laundry or cleaner retains any part of the premium for its own benefit then it must become licensed as an agent.

Rep. Weber of Chicago early in the session introduced in the legislature a bill dealing with bailee insurance, but it is understood that when he ascertained the steps that the department has been taking to control the situation he decided not to press the measure.

### Cooperatives Set Up N. Y. Bureau

The Associated Cooperative Inland Marine Conference has been formed at Albany, N. Y., with officers at 1 Columbia place, by companies affiliated with the Underwriters Rating Board. In addition to the promulgation of rules, rates and forms, the new organization plans to act as a statistical bureau, compiling the inland marine underwriting results of member companies, which are advance premium cooperatives.

### Borden Named Loss Manager

Home has advanced O. C. Borden from assistant general adjuster in the loss department to manager of the marine loss division. Mr. Borden entered the business in 1911 with North

British. In 1914 he became associated with Royal where he received his marine training. He went with Home's marine loss department in 1922 and 10 years later was put in charge of the marine loss division. In 1941 he was made assistant general adjuster.

Mr. Borden is one of Home's representatives on the Board of Underwriters of New York and has served on various committees of that organization. He is also a member of the loss advisory committee of the Tug Boat Underwriting Syndicate.

### Exports to Philippines Resumed

The foreign economic administration has announced resumption of licensing of commercial exports to the Philippine Islands on the basis of the present availability of shipping. At present shipments are possible under the broadest general license provisions so that any commodity not in short supply in the United States may be exported to the Philippines without necessity of obtaining an individual license from FEA.

### Study Future of Ill. P.P.F. Unit

With the formation of Inland Marine

Insurance Bureau as the statistical and filing agency in states that exercise rate control over inland marine lines, Illinois insurance people are wondering whether I.M.I.B. will not replace the Illinois Personal Property Floater Bureau.

The P.P.F. is the only inland marine form that is subject to the Illinois rate law and I.P.P.F.B. was set up with a Chicago office to meet the requirements, but some of the Illinois people think it might now be absorbed by I.M.I.B.

## CANADIAN

### P.P.F. Rate Increases in Ontario, Quebec Expected

TORONTO—Rates for personal property floaters are expected to be increased in Ontario and Quebec at a very early date. Loss ratios on the P.P.F. have been abnormally high the past few years and the companies have no alternative but to advance the rates, it is explained.

The proposed changes will place Que-



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bec premium rates at levels higher than in Ontario. The new minimum premium in Ontario will be \$25 if the policy includes a \$15 deductible clause, but where there is no deductible clause the minimum premium will be \$45. In Quebec the minimum will be \$35 for the \$15 deductible and \$55 without it.

The P.P.F. Conference has been giving considerable study to the situation in both provinces, and among the developments which soon will be announced are basic P.P.F. forms, a mandatory survey form, a flat rating plan and acquisition costs, as well as these premium changes.

### Commercial Union Officials in Canada to Retire

Commercial Union announces that Halbert J. Kerr will retire Sept. 30. He has been with the company since 1899. He started in Edinburgh, was transferred to London head office, later became assistant manager at Montreal and since 1938 has been Ontario branch manager. He will be succeeded by William E. Makinson, who has been with the company since 1919.

Charles Hagyard will retire June 30. He began his insurance career at the Leeds, Eng., branch of Ocean Accident. He was transferred to Canada in 1906.

From 1933-38 he was assistant manager for Canada and since 1938 he has acted as branch secretary of the Commercial Union group.

### Order War Damage Claim Paid

TORONTO—The supervisor of war damage insurance in Canada has been instructed by the Dominion government to pay all legitimate claims for damage caused when the freighter "Greenhill Park" exploded in Vancouver harbor three months ago.

Just prior to the government announcement, a special commission under Justice Sidney Smith concluded that Canada's war risk insurance department could not be found responsible for any claims as a result of the explosion. It was believed that war damage claims has been automatically nullified by the fact that this commission found that sodium chlorate was a commercial and not a war cargo. It was this material which had been held responsible for the disaster.

### May Propose Municipal Mutual

OTTAWA, ONT.—A proposal for the establishing by Canadian municipalities of a mutual insurance company to handle nothing but municipal risks is expected to be advanced when the Canadian Federation of Mayors & Municipalities holds its annual meeting in Toronto in mid-June.

The agents are being urged to make every effort to check any move that may develop towards the formation of such a company. They intend to unite in opposition to the plan and hope to be able to present to the municipal leaders sound, reasonable arguments as to why such a mutual should not be formed.

### Winnipeg Agents Elect

WINNIPEG, MAN.—The Insurance Agents Association of Winnipeg at its annual meeting elected these officers: President, B. W. Ireland, United Grain Growers Securities; vice-president (fire), R. R. Counsell, R. R. Counsell & Co.; vice-president (casualty), F. W. Bamford, Grain Insurance Brokers; secretary-treasurer, V. D. Hurst, Western Canada Insurance Underwriters Association.

### Kearns Speaks at Owen Sound

The Grey & Bruce Agents Association recently was addressed in Owen Sound by H. L. Kearns, Canadian manager of American Automobile, Toronto, on "Compulsory Insurance vs. Financial Responsibility Laws."

### Home's New Saskatchewan Setup

Home's Saskatchewan business will now be under the supervision of Roy S. Todd, manager at Saskatoon. C. W. Bolton, special agent at Winnipeg, formerly supervised Home's Saskatchewan business.

### Mackid Buys Calgary Agency

Benton Mackid, for many years with America Fore, recently at the Canadian head office at Montreal, has bought the general agency of the late H. A. Benjamin at Calgary, operating as Mackid Agencies, Ltd.

### Hendry in New Post

Royal-Liverpool groups have appointed Evan Hendry fire loss superintendent in Ontario. Prior to enlisting with the Royal Canadian Air Force four years ago, Mr. Hendry was automobile underwriter.

### Queensland in Eastern Canada

Queensland, which has confined its operations in Canada to west coast, has entered the eastern section and has named McCulloch Insurance Agencies as marine general agents in Montreal.

### NEWS BRIEFS

Ronald H. Jeffrey has resumed his position as western Ontario inspector of Security Fire and American. He has been in the Royal Canadian Air Force three years.

Joseph Rowat has been appointed chief agent of General of Paris at Montreal. George M. Wears, a director of Johnson & Higgins of Canada, Ltd., has been transferred from Montreal to Toronto in an executive capacity.

Stanley A. Darling has been elected president of the Peterborough (Ont.) Fire & Casualty Insurance Agents Association.

### C.P.C.U. Interest Up 60%

PHILADELPHIA—Applications for the examinations leading to the C.P.C.U. designation show a 60% increase this year over 1944. Study groups have been conducted this year at Chicago, Cleveland, Columbus, Dallas, Denver, Detroit, Fort Wayne, Fort Worth, Grand Rapids, Harrisburg, Hartford, Indianapolis, Los Angeles, Memphis, Newark, Philadelphia, Richmond, San Francisco, St. Louis, Tulsa, Van Wert, Ohio, and Washington, D. C.

J. E. Finke, Jr., Portland, Ore., manager for Swett & Crawford, who has been in the navy more than a year, has been transferred to Santa Barbara, Cal., after being stationed at Astoria for several months. Chester T. Zinn is managing the Portland office in his absence.

## Fleming Cites Hazards of War Surplus Storage

Fire prevention problems arising out of the storage of war surplus materials and the use of new manufacturing processes were discussed by T. Alfred Fleming, supervisor conservation department National Board, at a meeting of the Dominion Fire Prevention Association and the Convention of Canadian Fire Marshals at Quebec.

Mr. Fleming said that sufficient authority should be written into any fire code now existing and into all state codes which are passed to give enforcing authority the power to control any new hazard that may develop where the officer in charge may, through research, determine the operating system or condition to be hazardous. In small towns the fire prevention officer might not have the technical facilities available but he should have ready access to larger cities where research facilities are available. He said this would not change the present system of fire prevention education as conducted in the schools, clubs, chambers of commerce and other groups but it would vitally affect the system of inspections that are made throughout the country and would require a depth of knowledge of the subject by each person chosen for the inspection service.

Reviewing some of the conflagrations that have been attended with heavy loss of life, notably the Boston night club fire, the Hartford circus fire, and the East Ohio Gas Company holocaust, Mr. Fleming said that aggressive leadership plus fire prevention ability and technical skill must be instilled into municipal and state organizations charged with the enforcement of fire prevention and safety to life legislation.

### Storing Surplus Goods

Regarding surplus commodities to be released, stored or otherwise disposed of, Mr. Fleming said that it is estimated that at least \$100 billion of such supplies will be under the supervision of the United States surplus property administrator. Billions of dollars worth of machinery will have to be removed to make way for peacetime operation. Storage space will have to be found promptly. There will be a tendency to use adjoining unprotected buildings and temporary storage huts for this purpose. While these may be satisfactory for machine tools and other non-combustible equipment for short periods, Mr. Fleming said they should not be used for concentrations of combustibles. Many such buildings have high roofs and huge areas but are not at present equipped with automatic sprinklers or sufficient outside hydrant and other fire prevention in many cases.

Mr. Fleming also listed some of the new manufacturing processes, particularly those involving nitrate baths, hydrofluoric acid, high frequency heating, zirconium powder, impregnating castings with plastics, and use of metallic sodium. He told why each of these is hazardous and what precautions should be taken and said they are but a few of thousands of new chemicals and processes which must be scrutinized.

Maj. Ralph Pearson, special agent of Mutual Life at Middletown, O., and former owner of the Pearson agency there, is in charge of the American task force that recently took intact the richest single Nazi cache of looted art treasures, valued at more than \$500 million. The cache was found in an Alpine salt mine, near Alt Aussee, Austria, packed in cases addressed to "Reichmarshal Goering." Major Pearson was mayor of Middletown when he entered the service over two years ago.

Agnes B. Hellwig, Martin, O., has sold her agency to Robert B. Cashen, Genoa.

At Ansonia, O., Goddard E. Winbigger has taken over the agency of his father, Thomas W. Winbigger.

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